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THE SAAR BASIN GOVERNING COMMISSION

THE Treaty of Versailles is beginning to bear fruit, and by its fruits it may be judged. At this date its friends can hardly maintain that all the fruit is sweet, neither may its enemies assert that the yield is uniformly bitter. It is now incumbent on those who would foster international understanding and progress to study the treaty in the light of its actual application rather than from the viewpoint of preconceived theory.

This paper aims to present a preliminary survey of the initial steps in the application of one section of the treaty, that concerning the Saar Basin. Such a survey is possible at this time because the Saar Basin Governing Commission provided for by the Treaty has been officially functioning since February 21, 1920, and has given an account of its stewardship in frequent detailed reports.[1]

To understand the reason for the decision to establish this commission, and to comprehend the peculiarly difficult tasks confronting it, certain facts relative to the Saar Basin and its importance to France and Germany must be stated. The district over which the commission was given authority includes about 700 square miles of territory contiguous to Alsace-Lorraine, with a population of about 650,000 inhabitants.[2] It was formerly part of Germany and the population is over-

[1] These reports appear in the *League of Nations Official Journal*, the official record of the activities of the League of Nations, published by Messrs. Harrison and Sons, Ltd., 45 St. Martin's Lane, London, W. C.

[2] Haskins and Lord, *Some Problems of the Peace Conference*, p. 146.

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whelmingly German in ethnic composition and in sentiment. At least in part, however, the territory had been in French hands at one time or another, and at the conclusion of the war in 1918 the French were in a position to urge consideration of this fact as a foundation for their claim to the territory.[1]

Far more significant, in the writer's judgment, in explaining the attitude of the French government regarding the Saar, are the following economic facts. The Saar is principally a coal-producing region. Its output in 1913 was about 18,000,000 tons, and the production would have been larger but for the fact that the German government preferred to spend a greater amount of energy in developing the mines of the Westphalian district.[2] The annual surplus available for export was between 9,000,000 and 10,000,000 tons. On the other hand the coal resources of France are not great enough to supply French industry. As her entire production in 1913 was but 41,000,000 tons, it was necessary to import 22,000,000 tons in order to satisfy her requirements.[3] Indeed, it has been estimated that the total underground coal resources of France are less than those of the Saar.[4]

The coal problem of France was aggravated by the recovery of Alsace and Lorraine, for these provinces with their thriving industries consumed about three times more coal than they produced. Consequently France would be even more dependent on foreign countries in the future than she had been in the past for this basic industrial necessity. There can be no doubt that a desire to avoid such dependence was a strong motive underlying the French demands for the Saar Basin.[5]

During the war the political control of this region seems to have been cherished as one of the secret war aims of France.[6]

[1] Haskins and Lord, *op. cit.*, pp. 132–139, for a brief discussion of historical claims of France.

[2] Historical Section of the (British) Foreign Office, Handbook No. 31, *Lorraine and Saar Mine Fields* (London, H. M. Stationery Office, 1920), p. 9.

[3] *Ibid.*, p. 25. [4] Haskins and Lord, *op. cit.*, p. 141.

[5] L. Barthou, *Le Traité de Paix* (Paris, E. Fasquelle, 1919), pp. 108–9.

[6] See *New Europe*, December 20, 1917, Supplement, for alleged secret correspondence between France and Russia, published by the Bolshevist government in November, 1917.

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At the conclusion of the struggle the French made an official demand for the territory, but at first mainly on strategic grounds. Later, at the Peace Conference, the more effective argument was advanced that the Germans, having flooded and rendered unproductive the French coal mines, should make reparation in kind by surrendering the Saar coal deposits and the Saar territory to France.[1] This proposal not only aroused bitter opposition in Germany but seems to have met with disapproval in the Peace Conference itself on the ground that it did violence to the principle of self-determination.

A compromise, however, was eventually agreed upon by which apparently the partisans of self-determination were satisfied that their principle had been upheld and at the same time France obtained substantially what she wanted. The agreement was that Germany should cede to France "in full and absolute possession" the coal mines of the Saar Basin.[2] If, however, Germany were allowed to retain political control over the district, it would be possible for her, so the French feared, in spite of treaty provisions, to obstruct the exploitation of the mines.[3] Ostensibly to avoid this danger it was decided to intrust the League of Nations with the government of the Territory for a period of fifteen years. At the expiration of this time the inhabitants were to be given an opportunity to "indicate the sovereignty under which they desire to be placed."[4]

The treaty provided that the actual government of the Saar should be vested in a commission of five members, which was to sit in the Territory and act as the representative of the League of Nations. The commission was to be appointed by the Council of the League; the members were to hold office for one year, although subject to removal at any time by the Council, and they might be reappointed. One of the members of the commission must be a citizen of France and one a native inhabitant of the Saar. The other three members must belong

[1] *New York Times*, March 29, 1919. For a more complete discussion of French motives, see Buell, *Contemporary French Politics*, p. 416 *et seq.*

[2] Treaty of Versailles, art. 45.

[3] Barthou, *op. cit.*, p. 110.

[4] Treaty of Versailles, art. 49.

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to three countries other than France or Germany.[1] Under this arrangement the two peoples most vitally interested and directly affected—the French and the inhabitants of the Saar—were each assured one member on the Governing Commission. On the other hand the majority of the commission would, theoretically, reflect a more neutral viewpoint and therefore presumably be more truly representative of the League of Nations. Their view, too, would prevail on any matter upon which they were agreed, for the treaty stipulated that the commission was to reach its decisions by majority vote.[2]

In view of all the circumstances leading to the decision to intrust the government of this territory to the League of Nations, a mixed commission of at least five members was probably the best solution. Experience, it is true, has demonstrated that impartiality is often purchased at the cost of efficiency when the members of a mixed commission are drawn from nations which differ more or less widely in language as well as in political, legal and social ideas and institutions. Moreover, such a commission may prove to be dangerously susceptible to the evil forces of suspicion and intrigue. With the appointment of all the members, however, in the control of one body—the Council of the League of Nations—and with the members responsible to that body alone, these difficulties might be greatly reduced, if not eliminated, by a skilful selection of the personnel of the commission.

The Governing Commission was given "all the powers of government hitherto belonging to the German Empire, Prussia, or Bavaria . . ."[3] Specifically, it could appoint and dismiss public officials, "create such administrative and representative bodies as it may deem necessary", administer and operate the railways and canals and different public services, and even fix the conditions and hours of labor for men, women and children in the Territory. It also had the sole power of levying taxes and dues. Not only was it empowered to set up a civil and

[1] Treaty of Versailles, Part III, Sec. 4, Annex, paragraphs 16–17.

[2] *Ibid.*, paragraph 19.

[3] *Ibid.*, paragraphs 19–33, for an enumeration of the powers of the Governing Commission.

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criminal court to hear appeals from the existing territorial courts, and to exercise original jurisdiction in certain cases for which it should decide the existing courts were incompetent, but the commission itself was made the tribunal to decide by majority vote all questions arising from the interpretation of the provisions of the treaty applying to the Saar. Thus this commission of five men had not only extensive executive powers but important legislative and judicial powers as well.

On the other hand, certain legal checks and limitations on its authority were imposed, either in the interests of France or on behalf of the inhabitants of the Territory. The Treaty of Versailles guaranteed France economic rights and privileges in the Saar which the commission could not deny, impair or regulate. As we have seen, the French state was given absolute possession of the coal mines.[1] Furthermore, the French customs régime was extended to the Saar, and certain trade regulations in the interests of France were specifically stipulated (Part III, Sec. 4, Annex, Paragraph 31). In addition, French money might, at the option of France, freely circulate in the Territory (Paragraph 32).

Obviously the possession of the sole important natural resource of the territory carried with it incalculable power. In order to safeguard the exploitation of this resource, the treaty limited in several ways the freedom of the commission to administer and operate the transportation and communication systems of the Basin (Paragraphs 7, 8). Power to annul old mining laws or enact new mining legislation was also restricted (Paragraphs 12, 23).

The extension of the French customs régime to the Saar Basin meant not only a limitation on the commission's taxing power; it meant also that France was given power to promote or to hinder the industry and the prosperity of the Territory. The commission's weakness in the economic sphere was increased by a similar lack of legal control over the circulating medium. If the French could introduce the franc at will, they had the power not only to inject a disturbing factor into

[1] Treaty of Versailles, art. 45.

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industry, but also to jeopardize the financial policies of the commission at any time.

On the other hand, most of the powers given the commission were limited and qualified in order that the interests and local customs of the inhabitants might be properly safeguarded. In fixing conditions and hours of labor the commission was enjoined to have regard for the wishes of the local labor organizations and to take into consideration the principles adopted by the League of Nations (Paragraph 23). Not only might the commission not impose a new internal tax "without previously consulting the elected representatives of the inhabitants", but it must apply the proceeds of taxation exclusively to the needs of the Territory (Paragraph 26). The inhabitants were to retain their religious liberties, their schools, their language and their local assemblies, under the control of the Governing Commission (Paragraph 28). The power of the commission to annul existing laws that had not been enacted as temporary war measures was limited by the requirement that the commission must first consult with the elected representatives of the inhabitants (Paragraph 23). Furthermore, the commission was positively enjoined to provide internal protection for the persons and property of the inhabitants and to take measures for the protection of their interests abroad (Paragraphs 30, 21). No military service, however, might be required or allowed, and no fortifications might be constructed in the Territory (Paragraph 30). The inhabitants were thus freed from this burden as long as they remained under the government of the League.

On February 13, 1920, the Council of the League of Nations met and appointed the Governing Commission. Acting under the authorization of the treaty (Paragraph 18), the Council named the French member, M. Rault, as chairman and executive of the commission. The other members were Alfred von Boch, *landrath* of Sarrelouis (Sarrois), Major Lambert (Belgian), and Count von Moltke Hvitfeldt (Dane).[1] At this

[1] The fifth member of the Commission, whose name was not announced at the time, the Commission not having received word of his acceptance of the appointment, was Mr. R. D. Waugh, of Winnipeg, Canada, who did not arrive in the Territory until April.—*League of Nations Official Journal*, No. 4, p. 192.

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meeting, also, directions were adopted for the guidance of the Governing Commission.[1] These directions not only restated general guiding principles but also regulated certain matters of detail which, though implied if not expressed in the treaty of peace, the League as trustee of the Territory could scarcely leave to the discretion of the commission.

Perhaps no international commission has had to undertake a more delicate task or play a more difficult rôle than the Saar Basin Governing Commission. At the outset the German population, informed of the secret correspondence of France with Russia concerning the Saar during the war, aware of the French attitude at the Peace Conference, and convinced that the French were intriguing to detach the Rhine provinces from Germany, were prepared to consider the League government nothing less than a "disguised annexation" of the territory by France. At best it was not of their choosing, but a government imposed from the outside, and therefore to be sullenly endured and covertly sabotaged rather than loyally supported. Feeling assured of the moral support of Germany, the inhabitants could scarcely be expected to acquiesce readily in measures the commission might feel called upon to take in reorganizing the government of the Territory. The commission's responsibility was indeed a heavy one, its task disheartening. It must carry out the rigorous terms of the Treaty of Versailles, coöperate with the French in their exploitation of the coal mines, support France in other measures of economic penetration allowed her by the treaty, and yet convince the inhabitants that it was governing in their interest.

Theoretically, the members of the commission, both individually and collectively, would have powerful incentives to govern well. If the French member were inclined to forget that he represented the League of Nations rather than France, still it would not require a great deal of astuteness for him to realize that both present and future interests of France would be best served by a commission animated by moderation and liberality. For the most effective exploitation of the coal mines

[1] *L. N. O. J.*, no. 2, pp. 50–52.

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the willing coöperation of the inhabitants was imperative. If the Territory was to be prevented from voting to return to Germany at the end of the fifteen-year period the feat could only be accomplished by making the lot of the inhabitants pleasant and profitable under the new régime.[1] The three members at large could not be presumed to have any special interests to serve that would conflict with the desire to make the work of the commission a success. It is true that the member from the Saar, though he could scarcely obstruct the work of the commission directly, even if so minded, could contrive to make it unpopular with the people. The Council of the League, however, by careful selection could avoid such a contingency, or remedy an error of choice at will.[2] Indeed the Council had this important power over the entire membership of the commission.

On February 25th, the day before the Governing Commission officially entered Saarbrücken, which it chose as the seat of government, it issued a proclamation to the inhabitants of the Saar, intended, doubtless, to anticipate and discourage any inclination to oppose its authority as well as to announce the principles by which it would be guided in its government of the Territory.[3] The proclamation announced the determination of the commission to carry out the terms of the treaty "both in letter and in spirit". No disorder or resistance, passive or otherwise, would be tolerated. On the other hand, the Governing Commission would provide protection for the persons and property of the inhabitants and would allow them to retain their local assemblies, religious liberties, associations, schools and language. Finally, the commission would be constantly guided in the exercise of

[1] The plebiscite was to be open only to persons over 20 years of age who had been residents in the Territory at the date of the signature of the treaty, and therefore the French, if so disposed, could not resort to "colonization" to insure a favorable vote (Part III, Sec. 4, Annex, paragraph 34).

[2] In the report by the Secretary-General of the League of Nations to the First Assembly of the League, on the work of the Council, the statement is made without comment that M. von Boch (the Saar member of the Commission) resigned (no date) and that M. Hector had been appointed in his place.—*Doc. de l'Assemblée*, no. 37, p. 23.

[3] *L. N. O. J.*, no. 3, pp. 107–108, contains the text of the proclamation.

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its authority by the principles of international coöperation which actuated the League of Nations. It assured the people that it would not allow them to be exploited or to be underpaid for their labor and that it would "concern itself specially with the development of industry and the condition of the workers".

The first task of the Governing Commission, after the distribution of departments among the different members,[1] was to modify and replace as rapidly as possible the military régime, which was still as onerous as ever in spite of the fact that the Treaty of Versailles was nearly a year old. Realizing how heavily the military control bore on the inhabitants and how productive it was of discontent, the Governing Commission immediately took measures calculated to restore in large part the political and civil liberties of the inhabitants. It restored complete freedom of movement in the Territory. It abolished the military police courts, asserting in its report to the Council of the League of Nations that "no inhabitant of the Saar will henceforth be summoned before a court-martial", and promulgated an amnesty ordinance covering sentences which had been pronounced by the military police courts.[2] The electoral law drawn up by the commission after consultation with the political parties of the Territory was decidedly liberal. For the archaic Prussian "three-class system" of voting, a democratic electoral régime was substituted, providing for universal adult suffrage, the secret ballot and proportional representation.[3]

[1] *L. N. O. J.*, no. 3, p. 101; no. 4, p. 192. A provisional distribution of duties among the members was made in the absence of the fifth member. As revised after his appearance the assignments were as follows:

The President, M. Rault (French Member)—Interior, Foreign Affairs, Commerce, Industry and Labor.

M. Lambert (Belgian)—Public Works, Railways and Postal and Telegraphic Service.

Von Boch (Saar)—Agriculture, Public Health and Social Insurance.

Von Moltke Hvitfeldt (Dane)—Public Education, Ecclesiastical Affairs and Justice.

R. D. Waugh (Canadian)—Finance, Food Control.

[2] First Report of the Saar Basin Governing Commission, *League of Nations Official Journal*, no. 3, p. 104.

[3] Second Report of S. B. G. C., *op. cit.*, no. 4, pp. 200–203.

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The economic situation also demanded attention, but unfortunately in economic matters the Territory was at the mercy of France and Germany, and the Governing Commission could do little in the way of safeguarding local interests. For example, the factories in the Saar district were seriously handicapped by their inability to obtain from the French, who were now in possession of the mines, an adequate supply of coal.[1] Under the terms of the treaty, however, the Governing Commission had no power to give domestic needs precedence over foreign demands; it could only insist on the maintenance of the "proportion existing in 1913 between the amount consumed locally and the total output of the Saar Basin."[2]

A similar impotence on the part of the Governing Commission was exhibited when the French State Mines decided to pay their employees and conduct their financial transactions in francs instead of marks. Even the mere probability that such a step would be taken had aroused the keenest apprehension and alarm in the Saar Basin. It would certainly entail an increase in the cost of living, and it would almost inevitably cause hardship to certain classes among the inhabitants. Yet the hands of the Governing Commission were tied by the treaty, which specifically permitted the introduction of French currency, at the option of France. The commission could and did issue a futile warning that the change of currency would not only "compromise legitimate interests, such as small unearned incomes and pensions of all kinds", but also arouse political opposition.[3] Nevertheless, the measure went into effect, and the most the commission could do was to mitigate the evil consequences in some measure by regulating prices.[4] This, indeed, was done, but only after forty thousand metal-workers had evinced their dissatisfaction by going out on strike.[5]

Trouble arose with Germany as well as with France. The

[1] Third Report of S. B. G. C., *op. cit.*, no. 5, p. 277.

[2] Treaty of Versailles, Part III, Sec. IV, Annex, paragraph 15.

[3] Third Report of S. B. G. C., *L. N. Official Journal*, no. 5, p. 278.

[4] Fourth Report of S. B. G. C., *op. cit.*, no. 6, p. 370.

[5] *Ibid.*, p. 369.

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Saar had long been accustomed to importing the bulk of its foodstuffs and merchandise from Germany. The depreciation of the mark in consequence of the war only increased the dependence of the Saar district on Germany, because the purchasing power of the mark was greater in Germany than in France and other countries. It was therefore a severe blow to the inhabitants of the Saar Basin when, on April 10, 1920, the German government announced that the frontier would be closed to both exports and imports. In this emergency, the commission sought concessions from the German government, and provisionally admitted into the Saarbrücken Chamber of Commerce a representative of the Imperial German Commissioner for Exports and Imports, with authority to "make the necessary adjustments" with a view to facilitating commercial transactions between Germany and the Saar.[1] The steel works of the Basin were compelled to reduce their output because the requisite supply of coke could no longer be obtained from Germany.[2] The partial shutting-down of the steel works, coming at a time when the workers were demanding higher wages to meet the increased cost of living, still further aggravated the burden of economic privation and social discontent.

In another direction the Governing Commission was more successful. A French decree of April 23 had prohibited the importation of certain articles into France. As the Saar had been drawn into the French customs régime, these articles presumably were also barred from the Saar Basin. It so happened that the list included food and other articles of daily use which the Territory had to purchase from Germany. Learning of the decree, the inhabitants became alarmed and representations were made to the Governing Commission. M. Rault, acting for the commission, then went to Paris and succeeded in securing the assurance that the decree would not apply to the Saar Basin.[3]

On the whole, the commission seems to have lost few opportunities to demonstrate its good will toward the inhabitants of

[1] Second Report of S. B. G. C., *op. cit.*, no. 4, p. 192.

[2] Third Report of S. B. G. C., *op. cit.*, no. 5, p. 277.

[3] *Ibid.*, p. 283.

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the Territory. Although its financial condition was anything but flourishing, it voted credits for private philanthropies and considered plans to encourage, by means of loans without interest, sorely needed housing construction in Saarbrücken.[1]

From the very first, however, the Governing Commission seems to have met with considerable opposition and suspicion. If its acts happened to be above criticism, its motives were impugned. It seems to have faced hostility from the German officials, the teaching profession, the clergy and the "higher industrial and commercial classes." It encountered open and bitter opposition from most of the newspapers of the Territory. This opposition, the Governing Commission has intimated, was greatly aggravated, if indeed it was not primarily instigated, by certain organizations financed by Germany.[2]

Under these circumstances the Governing Commission soon receded at several points from its original liberal stand. Although it had announced that steps were being taken for the complete restoration of the liberty of the press and had decreed the final abolition of courts-martial, it was soon constrained to withdraw from the position it had taken on these matters. The occasion was a bitter attack on the French Army in the Socialist paper *Volksstimme*. The commander of the French troops in the Territory asked the commission for its approval of the institution of court-martial proceedings against the offending editor and the commission offered no objection.[3] Subsequently, in a report to the Council, the commission justified its action on the ground that it was still dependent on the French troops, not having been able to organize a police force up to that time, and that it could not safely allow aspersions to be cast on the French military forces. Moreover, since the new civil and criminal courts which the commission was authorized to establish had not yet come into being, and inasmuch as there was a strong probability that, regardless of the merits of the case, the offending editor would have been "ostentatiously acquitted" if tried be-

[1] Third Report of S. B. G. C., *op. cit.*, no. 5, p. 284.

[2] *Ibid.*, pp. 284–285.

[3] Second Report of S. B. G. C., *op. cit.*, no. 4, pp. 196–197.

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fore a local tribunal, the commission had "allowed military justice to take its course".

By an order of the tenth of June, admission to the Territory was made more difficult, freedom of movement within the Basin was circumscribed, and the commission began the preparation of a plan for controlling the movements of foreigners. These measures no doubt were dictated largely by a desire to discourage German propaganda against the French and against the Governing Commission.[1]

Quite as drastic was the action taken by the commission in April, 1920, when a railway strike appeared to be imminent. On April 28, the commission issued a decree warning the populace that in the event of such a strike a state of siege would be proclaimed, and the personnel necessary to operate the railways would be obtained by requisitioning civilians. In this case, the commission may well have been motivated by solicitude for French military requirements as well as by a determination not to permit any interruption of the transportation services upon which the food supply of the Basin's dense population depended. Moreover, the commission considered it to be a duty to provide the railway facilities demanded by French exploitation of the mines.[2]

A measure of quite different character, but one that could hardly be popular, was the decree of July 7, whereby the Governing Commission "intrusted to the Government of the French Republic" the duty of protecting the foreign interests of the inhabitants of the Saar Basin—a duty which the Treaty of Versailles had imposed upon the Governing Commission itself.[3] The contention of the Governing Commission that the slender financial resources of the Territory could not bear the strain of a separate diplomatic establishment is less open to question than the choice of France as representative of the Territory. To have intrusted this important function to some neutral power rather than to an interested party would have

[1] Fourth Report of S. B. G. C., *op. cit.*, no. 6, p. 372.

[2] *L. N. O. J.*, no. 4, p. 194.

[3] Fourth Report of S. B. G. C., *op. cit.*, no. 6, p. 374.

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been not only more consonant with the spirit of the League of Nations, but also better calculated to inspire confidence in the high motives of the Governing Commission.

It is obviously too early as yet to speculate with any assurance on the future of this first experiment in international administration under the League of Nations. The period covered in this paper, a transitional period characterized by tentative decisions and provisional measures, marks but the first stage of the experiment. The second stage, ushered in by the election of the first legislative assemblies in July, 1920, cannot now be described. Yet it is in this latter stage, which provides formal opportunities for closer coöperation and at the same time multiplies the chances for friction between the Governing Commission and the representatives of the inhabitants, that the test will come.[1]

Certain observations, however, may be ventured at this time. While it is true that the limitations imposed by the Treaty of Versailles upon the authority of the Governing Commission make it theoretically impossible for the commission to oppress the native population, it is no less true that the terms of the treaty seriously circumscribe the commission's power to promote or even to protect the material interests of the inhabitants. Influential Germans dwelling in the Territory could not be unaware of this, and they were sure to govern themselves accordingly. Anticipating their hostility, the commission assumed an attitude of firmness tempered by gestures of conciliation. It was careful to keep the weapon of physical force in the background as much as possible, but unfortunately the moral weapon, upon which it must depend for any permanent victory over the forces opposed to its authority, could not be used with freedom. Indeed, to kill opposition with kindness was a Herculean task. French ambition, German hostility, and—one might add—the rigorous terms of the treaty, were powerful and apparently permanent factors militating against

[1] According to the terms of the Treaty (Part III, Sec. 4, Annex, paragraphs 23, 26), the Governing Commission was under obligations, as soon as the Territorial assemblies should be convened, to consult them before modifications and changes in the laws might be made.

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the success of a conciliatory policy. That the commission tried the methods of conference and discussion, reserving the weapon of force for emergencies, is to its credit. That it did not always succeed by the first method, and that it too frequently had to resort to the second, is not necessarily to be attributed either to lack of sincerity or to failure of judgment, but rather usually to a set of circumstances over which it did not have the necessary control. If despite these difficulties the commission's régime should ultimately prove conducive to material prosperity as well as to civil liberty, even the most skeptical among us will be compelled to admit that the principle of international administration has been vindicated by an exceptionally severe test.

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THE MINISTERIAL REVOLUTION OF 1710 IN ENGLAND

THE early history of English political parties has ever been interesting on account of their constant rivalries, their frequent contests at the polls, and their insistent searching for the form of political organization that should at once serve to gain the popular ear and retain them in favor. Early party leaders, in their humble way, were political pioneers who sought for ways and means of administering the government through Parliament, once the Revolution of 1688 had decided that the Crown should be subject to Parliament. Nowhere is the operation of early partisan politics more plainly visible or more significant for the future than in the ministerial revolution of 1710, which, according to Bishop Burnet, was so "sudden and so entire a change . . . [as] is scarce to be found in our history".[1] Another contemporary asserted that there never happened "any change more remarkable in this country".[2] Its importance was accentuated by the violently contested election which followed and supplemented it, probably the most important canvass of the first half of the eighteenth century. Since 1688, "no change had taken place in public affairs so rapid and complete".[3]

This paper purposes to trace this movement and at the same time to indicate the political activity of Robert Harley, the place of the queen in political affairs, the influence of the moneyed men in politics, and the instability of cabinet government.

After William III's accession, domestic politics were more or less disregarded in the face of a serious foreign war, but once peace was signed, party struggles again became the dominant feature of English history, a tendency which was carried over

[1] *History of My Own Time* (1823), VI, p. 13.

[2] [Green], *Memoirs of the Life and Ministerial Conduct of Bolingbroke*, p. 179.

[3] G. M. Trevelyan, *England under the Stuarts*, p. 502.

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into the next reign in spite of the recurrence of war. The Tory party was kindly disposed toward the prerogative and the Established Church, and found its membership among the landed gentry and their adherents, whereas the Whigs emphasized the legislative power of Parliament and were benevolently inclined toward the Dissenters, from whose ranks their following was being constantly recruited. The Whig party drew the bulk of its membership from the larger towns and was supported by the leading capitalists, who had invested in stocks of the East India Company and the Bank, as well as in government securities. The rivalry, therefore, of Whig and Tory was fundamentally a struggle between prerogative and parliamentary privilege, between town and country, between the landed and moneyed interests. In short, it was a political, social and economic contest for supremacy.[1]

In the score of years after 1688, the Whigs developed a group of five leaders who went by the name of the junto. The Tories were unable to organize so successfully, largely because they were divided in their allegiance to the Act of Settlement. At her accession Anne tried to govern with Tory ministers, but their arrogance soon proved their undoing, and she dismissed them one by one to make way for moderates of both parties, with whose aid she sought to stand above and between political parties.[2] This plan also proved impracticable, and the need of a unified ministry to continue the war and perfect the union with Scotland forced Anne to admit to the ministry the Earl of Sunderland, the most radical member of the junto, and for that reason most obnoxious to her. Gradually Whigs displaced moderate Tories, until she very reluctantly parted with Harley, her favorite secretary of state, early in 1708.

Harley's dismissal unified the ministry, but threw him into opposition to it, in which position he was at first supported

[1] Bolingbroke, *Letter to Wyndham*, p. 20; Defoe, *Review*, VII, preface; *The Examiner*, no. 13; *Whig Examiner*, I, pp. 6, 17; *The Observator*, IX, p. 46; *Portland MSS.* (Hist. MSS. Com. Rept.), VII, p. i.

[2] Anne once wrote, "If I should be soe unfortunat as to fall into the hands of ether, I shall look upon myself, tho I have the name of queen, to be but in reality their slave." *Morrison MSS.* (Hist. MSS. Com. Rept.), p. 472.

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(more or less secretly) by the queen, who was most unwilling to allow the junto a free hand. Indeed, at all times, Anne distrusted the Whigs because she heartily disliked their kindness to Dissenters, and their attitude toward the Church and the prerogative. Her support of Harley and her opposition to the junto is evident in her refusal to appoint Somers lord president, even though his cause was promoted by the Duke of Marlborough and the Earl of Godolphin as well as by the junto. She gave way eventually, after eight months of ceaseless importuning, in which the Whig majorities in the election of 1708 and the death of her husband played an important part as factors impelling her to reverse her decision.

In this contest between Anne and Harley on the one hand, and Godolphin and the junto on the other, the latter had their way. The ministry was not wholly Whig, however, for it was under the nominal leadership of Godolphin, a moderate Tory, supported by his friend and colleague, Marlborough, whose political affiliations were even less stable than his own. During the early months of 1709, Anne became reconciled to her old friend and bosom companion, the Duchess of Marlborough, with whom she had quarreled over Mrs. Masham, one of the queen's ladies-in-waiting, and a cousin of both Harley and Lady Marlborough. Harley, however, kept in touch with court affairs through Mrs. Masham, and by the end of the year was in secret communication with Anne, seeking an opportunity to overthrow the junto. Of Anne's antipathy to the Whigs in general and the junto in particular, he sought constantly to make the most, and in this he was aided by the increasing dislike which the queen now felt for Lady Marlborough, whose quarrels with her cousin were soon resumed. Marlborough, moreover, already had lost Anne's confidence, and aroused the distrust of both Whigs and Tories. At this very moment, Harley saw his opportunity of humiliating the Marlboroughs, and at the same time rewarding Mrs. Masham.

The colonelcy of the second dragoons and the constableship of the Tower had just become vacant. Marlborough wished to give the latter office to a friend, but as a result of Harley's skilful intrigues, Earl Rivers was able to extract a promise from

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the duke that he might go to the queen and say that the duke had no objection to his candidacy. Anne, without consulting Marlborough, immediately carried out this suggestion and appointed Rivers.[1] Thus, at one stroke, Harley overreached the ministry and gained in the earl a valuable addition to his party.

To fill the other vacancy was even more difficult. Marlborough wished a favorite officer to head this famous regiment, but Anne requested him to appoint Colonel Hill, Mrs. Masham's brother. This was a direct blow at the duke's military authority, so he refused to comply and retired from court.[2] Harley's shrewdness was manifest. In supporting Mrs. Masham he was attacking Marlborough's strongest position, but Anne saw in it no more than an endeavor to reward her favorite and she took the duke's refusal with bad grace. His actions gave point to Harley's insinuations that the ministry wished to make Anne a cipher in the government,[3] in spite of Marlborough's efforts to persuade her that he had no personal objection to Hill, but only to rewarding the brother of a waiting-woman, who had been ungrateful to his wife and disloyal to the ministry, at whom this stroke was aimed. The duke's withdrawal from court and the entreaties of Godolphin and Somers in his behalf fell on deaf ears. Anne demanded instant compliance.[4]

Sunderland at this juncture suggested to his colleagues that they should introduce into the Commons an address, begging the queen to put Mrs. Masham from her.[5] This both alarmed and infuriated Anne, who feared to lose her confidante and felt such a request to be an insult to the Crown. At once she frantically sought aid from her supporters, and became more

[1] *Privy Council Register* (P. R. O.), LXXXII, pp. 558, 569; J, Swift, *Change of the Queen's last Ministry*. See also J. H. Burton, *Reign of Queen Anne*, III, p. 62.

[2] It was rumored that the duke had demanded that the Mashams, Ormond, Lady Hyde and Lady Fretchville "be immediately removed from court".

[3] *Lockhart Papers*, I, p. 309; Gilbert Burnet, *History of My Own Time*, VI, p. 16.

[4] *Marlborough MSS.* (Hist. MSS. Com. Rept.), p. 39; *Private Correspondence of the Duchess of Marlborough* (1838), hereafter cited as *Priv. Cor.*, II, p. 295.

[5] A. Boyer, *Annals of the Reign of Queen Anne* (cited below as *Annals*), IX, p. 229; *Other Side of the Question*, p. 410; *Wentworth Papers*, p. 108.

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conciliatory. Marlborough returned to Westminster to find to his great surprise that he could not rely upon the junto in his fight to remove Mrs. Masham.[1] Even his closest friends urged him to accept the overtures of the queen, who, through the advice of Harley and Colonel Hill, at last agreed to permit the duke to fill the appointment. It was, at best, only a half victory for Marlborough, as the lady-in-waiting still remained at Anne's side, and her brother was pensioned at once and soon afterward promoted.[2]

The compliance of the queen was due probably to Harley's fear that a discussion of Mrs. Masham would uncover his intrigues against the ministry before they were ripe. The contest which now ended, or appeared to end, revealed four things. It showed the inherent weakness of Godolphin and of Marlborough, whose will, even in military affairs, was no longer supreme, since he could not depend on the Whigs; it indicated a schism among the Whigs, a number of whom were jealous of the duke; it taught Mrs. Masham that she could expect no mercy from the junto, and the queen to what lengths the ministry would go in trying to rid themselves of her favorite; lastly, it plainly suggested the potential power of Harley and the queen. The former was quite willing to make haste slowly and secretly. One obstacle to maturing his policy was Anne's unwillingness to disoblige Marlborough and Godolphin, who had been always so loyal to her. The duke's influence had been perceptibly lessened in past months, but his failure to appoint Hill, and his apparent willingness to countenance an attack upon Mrs. Masham, lost him much of her confidence. The contest thus served Harley in two ways: it aroused Anne's resentment against Marlborough, probably his most dangerous rival, and permitted him to retain the aid of Mrs. Masham, who would do her utmost with the queen to discredit the Whigs, because they had attempted to disgrace her.

Harley had already planned to ally himself with the High-

[1] A. Cunningham, *History of Great Britain*, II, p. 279; *Lockhart Papers*, I, p. 316.

[2] *Coxe Papers* (Br. Mus.), XXXII, pp. 13, 20, 67; *Annals*, ix, p. 417.

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fliers (or High Church Tories), who were probably the strongest faction of that party, when the zeal of Dr. Henry Sacheverell furnished him the greatest of opportunities. Sacheverell had earlier incurred the enmity of the Whigs, but his sermon on November 5, 1709, proved the climax of his efforts in advocating the doctrine of passive obedience. At that time he took occasion to refer to Godolphin as Volpone,[1] which was more than the sensitive lord treasurer could endure, especially when he felt strong enough to punish the bold preacher; so despite the opposition of Somers and Marlborough, the ministry decided to impeach Sacheverell for treasonable utterances against the government.[2] Godolphin and the junto failed to see that the Highfliers considered this move a frontal attack upon the citadel of the High Church and the right of free speech, of which Englishmen have ever been so tenacious. The Tories persuaded the people that this impeachment was intended "rather to bring an odium on the clergy in general and on the avowed doctrines of the Church."[3] The women of England were aroused by this attack on the Church and became militant supporters of Sacheverell.[4] Fearing for the safety of the Anglican establishment, the lower clergy became his active champions and awakened the landed gentry and peasantry to a vivid sense of the danger to the Church.

The trial itself raised both the question of religion and the problem of the succession with which it was so closely connected, for the sermon had emphasized the doctrine which, at least by implication, favored the claims of the Pretender. To a Stuart restoration, even at Anne's death, the Whigs were averse, partly because they would be driven from power, and

[1] Defoe, *Review*, VI, p. 429; *Carte MSS.* (Bodleian), CXXV, p. 98; Hearne, *Collections* (Doble and Rannie, editors), II, pp. 314–15; *Memoirs of John, Lord Somers*, p. 114.

[2] Harley's brother said that the Whigs urged Godolphin to try Sacheverell, hoping so to compromise him with Anne as to put him entirely in their control. *Mackintosh Papers* (Br. Mus.), *Add. MSS.*, 34515, f. 135. *Cf.* W. F. Lord, "Development of Political Parties during the Reign of Queen Anne", *R. H. S. Transns.* (1900), p. 83.

[3] A. Boyer, *The Life of Queen Anne* (1721), II, p. 299.

[4] Defoe, *Review*, VII, pp. 69–76.

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partly because they would in all probability lose their investments in the Bank, East India stock and government securities, should the Act of Settlement be repealed. Indeed, Sacheverell's supporters were referred to by outspoken Whigs as "Jacobites, Papists and indigent underworkmen".[1] Had Anne died during the trial, it is probable that the Pretender would have succeeded her.[2] In trying Sacheverell, the Whigs emphasized the constitutional principles of the Revolution. To make the issue clearer, they conceded the Pretender's legitimacy, and based their arguments against him and the doctrine of passive obedience entirely upon Parliament's right to regulate the succession.[3] In a sense, then, the trial was a struggle between High Church and Low Church, between Stuarts and Hanoverians, between landed gentry and moneyed classes, between Whigs and Tories.

The Whigs aimed only at silencing treasonable attacks on the Revolution settlement, and definitely establishing the Revolution principles. The Tories thought of it as did St. John, Harley's friend, who said that the Whigs had a "parson to roast, and they roasted him at so fierce a fire that they burned themselves".[4] Possibly no one foresaw the height to which religious fanaticism and political feeling would rise as a result of the trial of this Hercules of the Church, but once he was brought before the peers, the public manifested its sympathy in ways unmistakable. Organized mobs, excited by hunger, accompanied this political puppet to and from the trial, and they were openly encouraged to insult and intimidate leading members of the ministry. At night this High Church rabble diverted itself by destroying meeting houses and other property of Dissenters, and even contemplated attacks upon the Bank and Grocers' Hall,[5] institutions which to them symbolized the

[1] *Priv. Cor.*, II, p. 142. *The Observator* (IX, nos. 14 and 18) later referred to the riots as "Popish and High Church Plots".

[2] W. E. H. Lecky, *History of England in the Eighteenth Century*, I, p. 74. It was alleged that Harley worked in the Stuart interest. Chadwick, *Defoe*, pp. 361–6.

[3] *Carte MSS.*, CXXV, p. 99; *Bath MSS.* (Hist. MSS. Com. Rept.), I, p. 199.

[4] G. W. Cooke, *Memoirs of Bolingbroke* (2nd ed.), I, p. 103.

[5] Hearne, *op. cit.*, II, p. 350; Defoe, *Review*, VI, p. 565; *Portl. MSS.*, IV, p.

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power of the moneyed Whigs. At last the disorder became so threatening that the Privy Council ordered out the Horse Guards and Foot Guards to disperse the rioters, who were made up largely of "butcher boys, crossing-sweepers, chimney-sweeps, costermongers, drabs, [and] the entire scum of the population".[1]

Throughout the trial Harley was busily intriguing behind the scenes. At his suggestion, the queen's ladies-in-waiting contrived to increase Anne's resentment against Lady Marlborough. Harley met the queen secretly during the trial and probably in conformity to his advice, Anne attended *incognito*, although despite the constant appeals of the High Church mob she steadily refused to make any positive statement.[2] Alarmed at the storm they had unwittingly raised, and faced by desertions from their ranks, the Whigs decided to propitiate the Highfliers by limiting Sacheverell's punishment to a prohibition from preaching for three years. This move was construed as a sign of weakness by the Tories, and bonfire celebrations became the order of the day, not only in London but in many of the provincial towns where the trial was followed with intense interest.

It cost the ministry £60,000 to punish Sacheverell and raise the country against itself. This trial is one of the significant events of the reign. It gave Harley an unparalleled opportunity of unifying the Tories against the ministry; it taught the queen the strength of the Tories, making her more willing to listen to Harley's plans and more obstinate in her attitude toward the Whigs; moreover, it gave Harley a martyr, who was willing by means of triumphal processions to act as advance

532; *S. P. Dom., Anne*, XII, pp. 5–41; *Impartial Review of the two last Parliaments* (1711), pp. 190–3; *Bagot MSS.* (Hist. MSS. Com. Rept.), p. 342. "The enthusiasm spread like contagion through all ranks of the people. Men seemed to suffer a temporary dereliction of sense and understanding and the mob and the nation were terms of the same import. No martyr suffering in the glorious cause of civil and religious liberty was ever so much an object of public applause and veneration as this wretched and fanatical preacher of nonsense, impiety, and sedition." W. Belsham, *Memoirs of the House of Hanover*, p. 50.

[1] H. A. Taine, *History of English Literature* (1874), III, p. 74.

[2] *Wharton MSS.* (Bodl.), IV, p. 37; *Memoirs of the Four Last Years of the Reign* (1742), p. 76; *Mackintosh Papers*, Add. MSS., 34515, ff. 101d–102d.

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agent for the Tories in the ensuing general election—an arrangement which admirably suited both Harley and the vain-glorious pastor—as the latter received an adulation amounting almost to worship, whereas the former reaped the fruits of his labor; furthermore, the trial more clearly revealed to Harley the lack of unity among the Whig leaders, who did not know how many of their own number they could trust to vote against Sacheverell.

This schism was much more pronounced than in the struggle two months earlier. As the trial progressed, prominent Whigs became either lukewarm toward impeaching Sacheverell, or openly favorable to his acquittal. Of this group the Duke of Somerset was the most conspicuous, the Duke of Shrewsbury, the most important. The former was by nature discontented; his ability was mediocre and he resented Marlborough's neglect of his pretensions to political office, a feeling much accentuated when Marlborough failed, probably on account of the queen's opposition, to bestow a vacant regiment upon his heir. The proud duke was by 1710 obviously disaffected and did not support the ministry in its fight against Mrs. Masham. A little later, flattered by the attentions of the queen, he began in his clumsy, bustling way to intrigue against Marlborough. He also tried to sow dissension among the Whigs and acted as a go-between for Harley and Shrewsbury.[1] When the vote was taken on Sacheverell, he was absent on the plea of illness, but Godolphin ironically suggested that "it was only his profound wisdom that kept him from the house".[2] Shrewsbury threw off his characteristic indecision and voted for acquittal; Rivers similarly showed his gratitude for the constableship; the powerful Scottish noble, Argyle, jealous of Marlborough, and his vanity touched by the attention of the queen and the Tories, although voting for conviction, vigorously opposed any punishment, a position in which he was supported by his brother Ilay and the Earl of Mar.[3]

[1] *Coxe Papers*, XXX, pp. 97, 109; *Portl. MSS.*, IV, pp. 537, 542-8, *passim.*

[2] W. Coxe, *Memoirs of the Duke of Marlborough* (Bohn ed.), III, p. 25.

[3] A. W. Thibaudeau (ed.), *Catalogue of the Morrison Autograph Collection*, IV, p. 148; A. A. Locke, *The Seymour Family*, p. 165; F. Salomon, *Geschichte des letzten Ministeriums Königin Annas*, p. 21.

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Upon these facts Harley built his policy, since such evident divisions among the Whig leaders made it easier to secure the support of some of them and lessen the political activity of others. Shrewsbury had come to Harley's support, and his reward was prompt, as only a few days elapsed after the conclusion of the trial till the "king of hearts" became lord chamberlain.[1] In a sense this was only the first step toward a realization of the promise Anne had made several weeks before that there "should be a thorough remove",[2] a promise she was the more willing to keep in the face of the multitude of loyal addresses which poured in upon her as a result of the trial. To Harley, Shrewsbury's aid was invaluable. He was a moderate Whig of much ability, who had played an important rôle in the Revolution and who had later rendered good service to William III. Yet he was invariably timorous and left office in 1701 with the excuse that his health was failing. In 1708 he returned to England, bearing in his train an Italian wife, whose morality and religion were so much in question that even in those days she was coldly received by the leading ladies at court.[3] The frigid demeanor of Lady Marlborough to his wife and the apparent failure of the ministry to give him an office suitable to his rank turned Shrewsbury toward Harley, who soon after his own dismissal in 1708 held a conference with the duke in Oxfordshire.[4] Henceforth their intimacy so increased that a year later Shrewsbury was accused of intriguing against the Whigs. Soon thereafter, Somerset, Rivers and Mar were supporting Harley, but not until the trial did Shrewsbury openly join them.

Worn out by the heats of the trial, Godolphin had retired

[1] *Carte MSS.*, CXXV, p. 96; *Godolphin Papers*, *Add. MSS.* (Br. Mus.), 28041, f. 23; N. Luttrell, *Brief Relation of State Affairs*, VI, p. 570.

[2] *Legh MSS.* (Hist. MSS. Com. Rept.), p. 270.

[3] *Add. MSS.* (Br. Mus.), 35057, f. 9; G. P. R. James, *Letters Illustrative of the Reign of William III*, III, p. 264; *Priv. Cor.*, I, p. 398.

[4] *Private Diary of William, Lord Cowper*, p. 43; *Buccleuch MSS.* (Hist. MSS. Com. Rept.), II, pt. ii, p. 720. Shrewsbury seems to have been in Anne's good graces months before the beginning of 1710. *Coxe Papers*, XXIII, p. 48; XXIX, p. 59.

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to the Newmarket race course to solace himself for his many political reverses, when Anne wrote him of Shrewsbury's appointment. It was a disagreeable surprise not only to the lord treasurer but to the other ministers as well. Sunderland was enraged and naturally attributed it to the influence of Godolphin, whereas many Tories thought it had been brought about by the junto, although Somerset claimed the honor. The mystification of the courtiers is in itself an evidence of Harley's skill. Godolphin was both alarmed and angry, not because he objected to the appointment, but because he had no knowledge of, or part in, the affairs. Anne's letter had concluded with the curious statement that she hoped he would approve of her action,[1] because she had already appointed Shrewsbury before he could interpose any objection. Nevertheless, the lord treasurer protested in measured terms to the queen on account of Shrewsbury's relations with Harley. Godolphin hurried back to court, however, only to find Shrewsbury installed in office, and Anne equally displeased with his own letter and general demeanor. She intimated that she did not expect to make any further changes,[2] but refused to reconsider her decision, even when told that the "noise of the town was high on that subject".

Not only does this move exhibit how little reliance Anne placed in her ministers, but it also reveals the difference existing among them at the very time when the idea of a cabinet was developing. Moreover, Shrewsbury's inclusion in the ministry was due to Anne's secret advisers, and the plan was kept even from the first minister, until he was so placed as to make his remonstrances useless. When Godolphin learned of the matter, it was but natural that he should think of resigning, inasmuch as he had threatened to do it for months. He never took the step, however, even when Sunderland severely criticised him for his pusillanimity, because he thought that Marlborough could arrange some *modus vivendi* with the new lord chamberlain.

[1] [Green], *op. cit.*, p. 185; *Carte MSS.*, CXXV, p. 96.

[2] *Carte MSS.*, CXXV, p. 96.

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On this occasion Harley and the queen won a clean-cut victory over the lord treasurer and the junto. Immediately afterward "Colonel Hill received £1,000 for life".[1] Even earlier Marlborough had laid before Anne a list of army promotions, stopping just before Hill's name in the list of the brigadiers, and three short of the name of Mrs. Masham's husband in the colonels. This obvious attack upon her favorite angered the queen, who stubbornly insisted upon the inclusion of both names. The duke agreed to promote the latter, but stood firm against the former until the queen threatened to hold up all military promotions.

The weakness of the ministry was evident,[2] when even the great general could not have his way in military appointments against Anne's personal wishes. Some explanation is necessary to account for the decline of the power of the Marlboroughs at court. It dates at least from the accession of Sunderland to the ministry, and was increased by the dismissal of Harley from, and the accession of Somers to, the cabinet council. By that time, too, the concentration of so much power in one family aroused general distrust. The duke was the head of military affairs; his brother, of the admiralty; his son-in-law, Sunderland, the leading secretary of state; his friend, Goldolphin, the head of the treasury; and his wife believed to be supreme over the queen. Marlborough, moreover, was a prince of the Empire and the King of Spain wished to make him governor-general of the Netherlands.[3] The duke and his duchess had an income of at least £60,000 from their official positions, and this aroused the envy of less fortunate courtiers. Marlborough was never popular either at court or among the masses, and when, at the close of 1709, he applied to be made captain-general for life, they feared that he might become a Monk or a Cromwell. This suspicion increased when peace

[1] *Coxe Papers*, XXXII, p. 13.

[2] Marlborough was uneasy as to his control of the army, and particularly jealous of Argyle. A. W. Thibaudeau, *op. cit.*, IV, p. 149; *Coxe Papers*, XXXI, p. 23; XXXIII, p. 130. Anne promised to write him a letter making him "easy" if he submitted, *ibid.*, XXXII, p. 52.

[3] *Priv. Cor.*, II, p. 333.

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negotiations failed. In the absence of decisive victories, the people began to murmur that he continued the war to enhance his own glory and further the selfish interests of Holland and the Empire, both of whom had failed to shoulder their portion of the war burden, while England was staggering under the increasing weight of taxes, which made the masses anxious for peace.[2]

Lady Marlborough by this time really wielded little influence at court, although she was looked upon as the power behind the throne. Her parsimony and her tendency to meddle in private affairs added to her unpopularity even in the earlier months of the reign, when she was really close to Anne. She had tried, however, to turn the queen toward the Whigs, and had insisted on the appointment of the insolent Sunderland, as well as the dismissal of the popular Harley. The result was that her influence with the queen fell rapidly, and when she bitterly attacked Mrs. Masham, her power disappeared.[3] Since the assaults upon Harley and Mrs. Masham continued, Anne determined to rid herself of the termagant. The other contests between the ministry and the queen early in 1710 had also weakened the influence of the Marlboroughs at court, and particularly was this true of the Sacheverell trial, when Lady Marlborough unwittingly offended the sensitive pride of the queen.[4] The duchess was aware of her lack of power, but hoped to reinstate herself in Anne's confidence by a personal interview. This she found it almost impossible to secure, but once secured, she was completely discomfited by the stubborn will of the woman she expected to conquer. From that day in April, 1710, Lady Marlborough never again had audience with Queen Anne. Her political power had departed.

[1] John Arbuthnot, *Law is a Bottomless Pit*, pt. ii; *Carte MSS.*, CXXV, p. 99.

[2] *S. P. Dom., Anne*, VIII, p. 70; *Carte MSS.*, CXXV, p. 100; *Bath MSS.*, I, p. 197. "And lastly the hope of being eased by peace of the great burthen of taxes, above all other considerations, made the people eager to have a peace concluded." Cunningham, *op. cit.*, II, p. 340.

[3] *Carte MSS.*, CCXXXI, 46[a]; *Wentworth Papers*. p. 98; *Marlb. MSS.*, p. 43. It was at this time that the duchess was bespattered by the foul attacks of Mrs. Manley in the *New Atalantis*.

[4] *Coxe Papers*, XLIV, pp. 2, 44; Locke, *op. cit.*, p. 164.

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With the duchess in disgrace and the duke busily engaged in Flanders,[1] Harley and the queen planned another move against the ministry. This time they struck at the same time against the Marlboroughs and the junto, aiming at no less a person than Sunderland, secretary of state and a Whig leader. The intriguers had selected the vulnerable point, for Sunderland was at once the pet aversion of the queen, the favorite of the duchess, and the most discordant member of the junto. His republican principles alone would have made him anathema to Anne, and he was forced into the ministry only on the condition that he would resign if he failed to please her.[2] After his appointment, by his personal discourtesies, his conduct in the Scottish elections, his helping to force Somers into the cabinet, and his suggesting that she should be asked to dismiss Mrs. Masham, he had aroused her deadly hatred.[3] In his plans Harley was aided by Shrewsbury, who from the moment of his appointment insisted that he desired to live well with the Whigs, but whispered that Sunderland was so unpopular with Anne that he must be dismissed before harmony could exist at court.

As a consequence of all these things, a few days after Lady Marlborough's stormy interview, Sunderland was dismissed despite the strong remonstrances of Marlborough, Godolphin and Somers.[4] The ministry could not have been surprised, as the event had been expected for weeks.[5] Yet the Whigs had done little save to plan a general meeting at the Duke of Devonshire's. Before even this could take place Sunderland was out. Anne's letter to Godolphin shows her political skill. She

[1] By a subterfuge Harley had contrived to get Marlborough out of England before the trial began. Coxe, *Marlb.*, III, p. 22.

[2] *Marlb. MSS.*, p. 42; Salomon, *op. cit.*, p. 12.

[3] *Mar and Kellie MSS.* (Hist. MSS. Com. Rept.), p. 445; Burnet, *op. cit.*, V, p. 382; VI, p. 9. Sunderland's unpopularity in the country at large had been measurably increased by his having to use the soldiery to quell the Sacheverell riots.

[4] *Godolphin Papers*, *Add. MSS.*, 28041, f. 23; *Dartmouth MSS.* (Hist. MSS. Com. Rept.), p. 295. Sunderland indignantly refused a pension of £3,000 a year. *Wentworth Papers*, p. 118.

[5] *Bath MSS.*, III, p. 437; *Coxe Papers*, XXXII, pp. 59, 96; Ball, *op. cit.*, I, p. 208.

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insisted that she was not breaking faith with the ministry in dismissing Sunderland, who had proved disobedient, and appealed to the innate loyalty of Godolphin and Marlborough.[1] By this time, Harley's position was strengthened by the addition of Archbishop Sharp, Bishop Compton, Lord Dartmouth, Rochester and William Bromley, as well as Somerset and Newcastle.[2] Halifax, as usual, was wavering in his allegiance to the junto, and Wharton was more interested in increasing his income as lord lieutenant of Ireland than in forwarding Whig schemes.[3] Indeed, the disgrace of Sunderland is at once an evidence of the weakness of the Marlboroughs and Godolphin, and of the supineness of the junto.

The Whig leaders should have emphatically resented his dismissal. They might have been expected to resign in a body. Such, indeed, was Walpole's wish, as he had perceived that the essence of Harley's schemes lay in dividing the ministry. When the leaders met at Devonshire's, however, they proved as faint-hearted as Godolphin had always been, and they signed a letter begging Marlborough to remain at the head of the army.[4] Without the knowledge of the junto, the duke had attempted in vain to win over Shrewsbury, hoping to prevent his son-in-law's removal, and Shrewsbury tried with some degree of success to soothe his feelings after Sunderland was forced out.[5] The Whigs soon became more active, as they sought the aid of the London bankers and foreign diplomats in protesting against Sunderland's dismissal, and in preventing further ministerial changes.

[1] Anne insisted that Marlborough was too reasonable "to suffer a thing of this kind to do so much prejudice to himself and the whole world, by taking it to heart, and surely no one knows better than the duke and myself the repeated provocations I have received from Lord Sunderland." Coxe, *Marlb.*, III, p. 83.

[2] *Carte MSS.*, CXXV, pp. 99–100; I. S. Leadam, *Political History of England (1702–60)*, p. 160; Coxe, *Memoirs of Robert Walpole*, II. p. 24.

[3] *Portl. MSS.*, II, p. 210; *Coxe Papers*, XXXIII, p. 78.

[4] Ralph, *Attempts to Rescue*, pp. 438–40; *Coxe Papers*, XXXII, p. 89; Wm. Cobbett, *Parliamentary History*, VI, p. 905 (cited below as *Py. Hist.*). "The junto has seen their very best friend in danger, without so much as attempting a rescue, and I have taken the liberty of telling them so, and they do not so much as attempt to give reasons to the contrary." Coxe, *Marlb.*, III, p. 86.

[5] *Priv. Cor.*, II, p. 440; *Dartmouth MSS.*, p. 296.

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This appeal to the financial interests is most significant, showing the relation of the wealthy men of the city to the Whigs, and the power of the commercial classes in politics. One of the first results of Sunderland's removal was a decline in the price of the stocks of the Bank and the East India Company, which threw the city into a ferment.[1] Sir Gilbert Heathcote, governor of the Bank, at once urged Devonshire and Newcastle, the latter probably the wealthiest noble in England, to go to the queen and say that Sunderland's dismissal would mean the "ruin of credit, and of the Bank, and with it of the nation".[2] The feeble, but still wealthy, Duke of Leeds (Danby) waited on Anne to protest against this move.[3] The day after the secretary of state left office, a deputation from the Bank, introduced by Newcastle, waited upon Anne, and showed her the fatal effect which ministerial changes at that time would probably have upon peace negotiations and public credit. She assured the delegation, as she had previously assured Somers, "that she had no thoughts of making any other removal".[4] At this Heathcote "was so transported with joy that he cry'd aloud in the queen's presence, God be thanked".[5]

Although Anne was sufficiently alarmed to promise the moneyed interests that no further changes were then contemplated, it was evident to a few Whigs that her assurances should not be taken too literally, as she deeply resented their attack on the credit of the nation. Taking their cue from this, the Tories inveighed incessantly against the presumption of the

[1] *Annals*, IX, p. 231; *Add. MSS.* (Br. Mus.), 33273, f. 33; *The Observator*, IX, p. 46; *Whig Examiner*, I, p. 17; *An Account of the Conduct of the Duchess of Marlborough*, (1742), p. 259 (cited below as *Conduct*). One writer said that stocks fell 7 per cent, and the value of Bank stock declined £3,000,000. *Add. MSS.*, 33273, f. 42. All these writers seem to exaggerate, as quotations dropped less than 3 per cent, and soon recovered. India stock varied little. J. E. T. Rogers, *History of Agriculture and Prices*, VII, pt. ii, pp. 711, 804.

[2] *Portl. MSS.*, IV, p. 545.

[3] *Godolphin-Osborne Papers*, *Add. MSS.*, 28041, f. 24.

[4] Luttrell, *op. cit.*, VI, p. 594. Anne's reply was less definite. See Coxe, *Marlb.*, III, p. 98; Lord, *op. cit.*, p. 109.

[5] *Wentworth Papers*, p. 120; *Townshend MSS.* (Hist. MSS. Com. Rept.), p. 67. See also James Macpherson, *Original Papers*, II, p. 157.

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commercial classes that had dared protest against the monarch's dismissing an arrogant, if not insolent, servant. This gave Harley an opportunity to insinuate to Anne through the ubiquitous Mrs. Masham that she was a tool in the hands of the Whigs,[1] an argument which met with much favor and was immeasurably strengthened by the next move of the disgruntled ministers.

The junto now sought the aid of foreign diplomats. At their suggestion, the representatives of Holland and the Empire, alarmed at Sunderland's dismissal, called upon Anne, and explained the dangerous effect upon peace negotiations of making any change in her ministers.[2] The queen reassured them as she had the deputation from the Bank; Boyle, who succeeded Sunderland, was instructed to send the Dutch assurances that England would carry on the war vigorously, and Shrewsbury wrote in the same vein to the Imperial ambassador.[3] Nevertheless, foreigners withdrew their stocks from England on a well-grounded report "that not only the lord treasurer would be removed, but even the parliament dissolved",[4] and the Emperor in a letter to Marlborough deprecated the removal of Sunderland, and enclosed a letter for the queen.[5]

Harley represented such incidents as a "bold intruding into the queen's councils".[6] Anne's pride was deeply offended. She steadily refused to change her decision as to Sunderland, and Harley gloried in the evident signs of ministerial chaos, when the junto abandoned Sunderland to his fate. Godolphin was entirely exposed to Anne's wrath because of his stern opposition to the appointment of Shrewsbury and the dismissal of Sunderland. From that time the demoralized ministry had to fear three things: further disaffection among the Whigs (junto),

[1] Swift, *Change of the Queen's last Ministry; Lockhart Papers*, I, p. 309.

[2] Macpherson, *op. cit.*, II, p. 157; *Egerton Papers* (Br. Mus.), 894, f. 69; T. Somerville, *Reign of Queen Anne*, p. 412.

[3] *Egerton Papers*, 894, f. 54; [Green], *op. cit.*, p. 186; *S. P. Dom.*, *Anne* (XIII, p. 113), contains a similar letter to the English representatives at Berlin.

[4] *Annals*, IX, p. 231, App. v, 52.

[5] Coxe, *Marlb.*, III, p. 100; *Coxe Papers*, XXXIII, p. 75.

[6] Burnet, *op. cit.*, VI, p. 9; *Annals*, IX, App. vii.

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the resignation or removal of Godolphin, and a dissolution. These changes or any one of them would mean a practical end of Whig control, a fall of credit, a probable halt in peace negotiations, and a let-up in the vigorous prosecution of the war. The fall of Sunderland was a clear test of Anne's power, Harley's tact and the influence of the new triumvirate of Harley, Shrewsbury, and Newcastle.[1] In another sense this episode reveals the interest and importance of the commercial men and foreign diplomats in English politics.

On the part of the queen it required courage to change her ministers at a critical stage in the general European war as well as in the peace negotiations. It was rash to think of holding an election while the peace parleys were being carried on. Anne, however, was determined to break up the junto, destroy government by party and overthrow the towering ascendancy of the Marlboroughs, and once more become mistress in her own house, as the Whigs had always appeared to her as republicans in disguise, who aimed at her prerogative and the prestige of the Church.[2] In the meantime, much had to be done by Harley to repair England's rapidly sinking credit, to reassure her allies, to create further divisions among the Whigs, and to force out Godolphin.

The first demanded instant action, as the moneyed men and the allies were distinctly worried. The influence of Newcastle, Somerset and Shrewsbury[3] must have done much to allay a panic, while the insistence of the Whigs that Godolphin and Marlborough should retain their posts did even more to quiet the city. Nevertheless, Harley was hard put to it to prevent foreign diplomats and both foreign and domestic traders from being fearful of further changes. The irrepressible duchess

[1] Somerset might be added to the group, although his power is questionable and his attitude varied during the first half of the year. Locke, *op. cit.*, p. 163.

[2] *Priv. Cor.*, II, pp. 15–16; Morley, *Walpole*, p. 26; *Conduct*, p. 133. Anne, however, did not wish the Tories to triumph either, and in this she agreed with Harley. She desired to treat both parties alike. *Faults on Both Sides* (*1710*), pp. 37, 43. *Cf. Most Faults on One Side*, pp. 17–19.

[3] The interest of these great nobles in finance suggests to us that the leading peers might have invested heavily in commercial ventures and government securities.

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saw to it that Anne was promptly informed. "I have lately heard from all the considerable men of the city [that if Godolphin should be removed] they would not lend a farthing of their money, that all their stocks would fall to nothing, and that if there were any money to be had, nobody could be found that would remit it, so that our army must starve".[1]

To neutralize such influences, Harley was aided by Halifax and others, who sought to prevent the collapse of credit. Even Godolphin and some other influential ministers sought to do the same thing by giving additional assurances from the queen to foreign representatives that no more alterations were contemplated.[2] In spite of all their efforts, credit continued to fall.[3] As a consequence, Harley decided that he must gain a few more wavering Whigs before he could bring about further cabinet changes. Somerset was now particularly active in assisting Harley, whom he was meeting in secret with the queen, Shrewsbury and Dartmouth.[4] Harley now sought more definite support from Somers, Halifax, Cowper and Wharton. Somers was at least partially won over by Anne, who played upon his vanity by suggesting that he might become the head of the ministry;[5] Cowper stood firm, Halifax hesitated and at last declined, but Wharton probably got in touch with Mrs. Masham.[6] Nottingham, to Harley's surprise, refused to join with him.[7] In general, the intriguer was unsuccessful except in increasing Godolphin's uneasiness.

[1] *Priv. Cor.*, I, p. 344.

[2] *Annals*, IX, pp. 47–50, App. viii, 86; *Coxe Papers*, XXXII, pp. 181–185; *Portl. MSS.*, II, pp. 211, 216. At the same time the Tories were trying to persuade Anne that the activity of foreign ministers was designed only to scare her. *Ibid.*, p. 185.

[3] *Seafield MSS.* (Hist. MSS. Com. Rept.), p. 209; Rogers, *op. cit.*, VII, pt. ii, pp. 711, 804; Luttrell, *op. cit.*, VI, p. 617; *Portl. MSS.*, IV, p. 560; V, p. 650; *Annals*, IX, p. 50.

[4] *Portl. MSS.*, IV, pp. 540–57, *passim*; *Dartmouth MSS.*, p. 295.

[5] *Portl. MSS.*, II, p. 213; Montagu, *Court and Society from Elizabeth to Anne*, II, p. 376; *Ed. Rev.*, CXVIII, p. 415.

[6] P. Stanhope (Lord Mahon), *History of England* (*1701–1713*) p. 439. Somers and Devonshire apparently followed Cowper's lead.

[7] J. Oldmixon, *History of England*, III, p. 450. Some of the Whigs felt fairly secure for several weeks after Sunderland's fall. *Portl. MSS.*, IV, p. 548.

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Nor should one be surprised at the disquietude of the lord treasurer. His position was far from strong, for being neither a Whig nor a Tory, it had been his purpose throughout the reign to stand above and between parties. The present ministry was entirely Whig, and its members were badly at odds with one another and Godolphin. The queen was also hostile to her first minister, whose constitutional timidity placed him at the mercy of all his enemies.[1] It should not excite wonder then if Harley, once the moneyed element was quieted, would endeavor to force Godolphin out. Many politicians expected it. Shrewsbury invited Sir Thomas Hanmer to accept a place on the treasury board,[2] and his refusal probably delayed the execution of the plans of Harley, who was finding it difficult to gain Anne's consent to this alteration. Godolphin grew "sourer and ruder to her every day", and eventually brought about not only his own dismissal, but his humiliation as well, for Anne sent an ordinary messenger to demand his staff.[3] His anger got the better of him, both when he broke his staff into pieces, and when he wrote to the queen.[4] The treasury was put in commission, and Harley became a member of the board and chancellor of the exchequer.

The results were at once visible. Having felt certain Anne could not carry on the war without Godolphin's financial skill, the Whigs were now panic-stricken. They huddled supinely together, however, and agreed that since Harley could not support the credit for carrying on the war, and would plunge the queen into great difficulties, they would stand aloof until she was compelled once more to call on them.[5] The Whigs were right in assuming that stocks would fall, as next day Bank stock

[1] *Wentworth Papers*, p. 72; Rapin, *Whigs and Tories*, p. 41.

[2] Sir Henry E. Bunbury, *Hanmer*, p. 127; *Bath MSS.*, I, p. 198; Macpherson, *op. cit.*, II, p. 144.

[3] Swift, *Changes of the Queen's last Ministry;* Ball, *op. cit.*, I, pp. 193–4, 208; Burnet, *op. cit.*, VI, p. 11; *Add. MSS.* (Br. Mus.), 33273, f. 66. "The many unkind returns I have received," said the queen, "and especially what you said to me personally before the lords, make it impossible for me to continue you any longer in my service." Stanhope, *Queen Anne*, p. 438. See also *Marlb. MSS.*, p. 43.

[4] *Godolphin Papers*, *Add. MSS.*, 28055, f. 432; Ball, *op. cit.*, I, p. 194.

[5] *Life of Calamy*, II, p. 230; *Other Side of the Question*, p. 446.

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fell five points, making a total decline of nearly twenty per cent since March 1. East India securities were similarly affected and the worst was anticipated.[1] The shock to credit was so great that Harley was compelled to take precautions to avert a financial crisis. The cabinet council met next day, and the treasury board assured the Bank directors that they would faithfully carry out Godolphin's promises. Both Harley and Newcastle labored with the moneyed men of London with considerable success.[2] Foreign diplomats were still alarmed over finance and the continuation of the war,[3] and some representations to this effect were made to the queen without avail. Meanwhile, Marlborough's command was in danger, and there were rumors that the Elector of Hanover would be his successor, a report which greatly disturbed the allies.[4]

Despite the danger, Harley and the queen had dared to dismiss the great minister, who as a friend of Anne and the Marlboroughs successfully financed the war. Moreover, the queen persistently refused to reconsider her decision and the rout of the Whigs appeared complete, although eventually they were brought more closely together. The great war ministry was now broken up. Its dissolution had a baneful effect on the war by repressing the energy of Marlborough and the allies; and, by encouraging the French, it retarded the conclusion of peace.[5] Constitutionally, it marks the last serious attempt, until 1915, to

[1] Rogers, *op. cit.*, VII, pt. ii, pp. 711, 804; *Coxe Papers*, XXXII, p. 200; *A Letter from Monsieur Pett[ecu]m to Monsieur B[u]ys; Seafield MSS.*, p. 209; *An Impartial View of State Affairs*, p. 251. A contemporary claimed that both East India and Bank stock fell 15 per cent. *Add. MSS.* (Br. Mus.), 33273, f. 65. Foreigners began to withdraw their funds from England. *Faults on Both Sides*, pp. 37–39.

[2] *Portl. MSS.*, II, pp. 213–216; IV, pp. 559, 594; Luttrell, *op. cit.*, VI, p. 617. See also *Wentworth Papers*, p. 151; Paul Chamberlen, *Impartial History of the Reign of Queen Anne* (*1738*), p. 353.

[3] *Egerton Papers*, 894, f. 100; G. Parke, *Correspondence of Bolingbroke*, I, p. 5; *Bath MSS.*, III, p. 349; *Portl. MSS.*, IV, p. 617.

[4] Ball, *op. cit.*, I, p. 187; *Coxe Papers*, XXXIII, p. 40; *Hanover Papers*, *Stowe MSS.*, 223, f. 349; *cf. Priv. Cor.*, I, p. 364.

[5] Coxe, III, p. 35. It is already evident that Stanhope (*Queen Anne*, p. 439) errs in saying that the fall of Godolphin marks the beginning of the Tory move toward supremacy.

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govern England by means of a bipartisan or composite ministry. Anne, moreover, felt that she was now queen indeed.

The total overthrow of the Whigs could not be assured without further changes and an election. Many of the Whigs believed there would be no more alterations, and doubted whether Harley would risk a dissolution. As a result, the most pressing question among the Whigs for weeks after the lord treasurer's fall was the probability of an election. As usual Harley was most secretive, and the nine separate prorogations during the summer completed their mystification.[1] Furthermore, the longer a dissolution was delayed, the more time would be left for Harley to sow dissension among the Whigs.

The divisions in the ministry were visible to all. Before his disgrace, Godolphin had been alternately flattered and alarmed by the queen; Marlborough's suspicions, soothed by the shrewd tactics of Shrewsbury and the friendliness of the queen; Somers, beguiled with the hope that he might succeed Godolphin; Somerset's enthusiastic support, gained by the expedient of making him believe himself the power behind the throne. Orford remained quiescent, having been promised the Garter; Wharton, flattered by representations from Anne, thought for a time that he might retain his office in Ireland;[2] Newcastle, a friend of both Harley and St. John, expected to retain the seals; Halifax openly declared his disaffection by accepting the office of joint-plenipotentiary at the Hague without consulting Godolphin. As a result, long after Godolphin's fall, the Whigs had no concerted plan of action, and continued to hope that credit would sink and peace negotiations languish.

Although some of the Whigs and Tories insisted that a dissolution would follow Sacheverell's trial, the feeling disappeared in the face of Anne's statement that she harbored no such thought.[3] Nevertheless, men such as Marlborough, James Craggs, and Hanmer felt that a dissolution was the only natural

[1] *House of Lords Journal*, XIX, p. 143 *et seq.*

[2] *Coxe Papers*, XLII, p. 86; *The Examiner*, no. 1.

[3] *Granard MSS.* (Hist. MSS. Com. Rept.), p. 246; *Egerton Papers*, 894, f. 54. See also *Impartial View of State Affairs*, p. 230.

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termination of their difficulties,[1] but none of them was certain of his suspicions, even after Sunderland's fall. It was not until weeks afterward that the rumors of a dissolution became persistent and even then men as well informed as Somers, Ormond and Weymouth were uncertain. Such extreme secrecy was the key to Harley's success, for as long as the moneyed men and foreign diplomats were in doubt about a dissolution, he found it easier to sustain credit, while he secured the aid of Newcastle, who labored against an election, which would cripple finance.[2] As a result, a dissolution seemed in doubt until Godolphin was dropped. From that time forward, however, the only question was the date of the impending dissolution, and on that vital point Harley kept his opponents guessing for weeks.[3]

The moment that a dissolution became imminent, three matters engrossed public attention. First, came the protests of the financial interests and the Dutch against an appeal to the country,[4] protests which had no effect beyond giving Harley another argument in favor of an election. Secondly, the courtiers speculated upon additional changes in the ministry. Lastly came the preparation of both Whigs and Tories for the election.

The question of probable alterations soon engrossed the major share of the attention of the Whigs, as Harley intended that it should. The Highfliers were already rejoicing because

[1] *Bath MSS.*, III, p. 347; *Priv. Cor.*, I, pp. 324, 356.

[2] *Add. MSS.* (Br. Mus), 4223, f. 215; *Townshend MSS.*, p. 67; *Godolphin Papers, Add. MSS.*, 28052, f. 144; *Portl. MSS.*, II, p. 211; Burnet, *op. cit.*, V, p. 442; *Kenyon MSS.* (Hist. MSS. Com. Rept.), p. 444; Bunbury, *op. cit.*, p. 124. It seemed to Peter Wentworth, a fortnight before Godolphin retired, that the warring factions would settle their difficulties without an election. *Wentworth Papers*, p. 122. Stocks had already fallen off one-sixth and the Whigs wished to force them lower. *The Observator*, IX, p. 53; *Portl. MSS.*, V, p. 651. Holland was worried, as well as the Elector of Hanover. *Ibid.*, II, p. 212; IV, p. 580. The Dutch were particularly fearful of the results of an election. *Egerton Papers*, 894, f. 71. See also *Priv. Cor.*, II, p. 445; *Portl. MSS.*, IV, p. 551; VII, pp. 3, 5.

[3] *Coxe Papers*, XXXIII, pp. 58, 62. See also *Round MSS.* (Hist. MSS. Com. Rept.), p. 352.

[4] *The Examiner*, no. 13; Parke, *op. cit.*, I, p. 9. See also *Portl. MSS.*, II, p. 217.

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of Anne's overthrow of the "oligarchy" or "little cabal", which they thought had ruled her for years.[1] The queen, on her part, seemed desirous of ridding herself of all the Whig ministers distasteful to her, particularly Devonshire and Argyle. Despite the efforts of his friends, the former was dismissed.[2] Anne, indeed, wished to go farther in changing the ministry than Harley, who probably feared a thorough-going Tory cabinet more than he did the junto.[3] Moreover, he was doubtful of his own strength, and fearful of a total collapse of credit and an *impasse* in foreign affairs. His policy, therefore, was to continue his proselyting among the wavering Whig leaders, and with their aid bolster up the administration and finance.

To his large group of loyal followers Harley still hoped to add the more enthusiastic support of Halifax, Dartmouth,[4] Somers, Cowper, and Newcastle. The first continued coy but approachable; Somers was still dazzled by Anne's favor; Newcastle was ever friendly [5] with Harley and exceedingly anxious to preserve credit. Cowper and Walpole stood almost alone as unwilling to intrigue with Harley, even when Anne seemed anxious to secure their support in the new ministry.[6]

In the meantime Harley was finding it very difficult, even with Anne's support, to finance the war, for his party was scarcely organized and Tory leaders such as Rochester and Nottingham were against him, as were the Whigs and business

[1] Macpherson, *op. cit.*, II, p. 189. See also Defoe, *Conduct of Parties*, p. 24; *Annals*, IX, App. vii.

[2] *Add. MSS.* (Br. Mus.), 22216, f. 5; Swift, *Journal to Stella*, September 17–20, 1710. Anne also objected to giving Jersey a place in the new ministry. *Dartmouth MSS.*, p. 298; *Bath MSS.*, I, p. 199; *Marlb. MSS.*, p. 38.

[3] Ball, *op. cit.*, I, p. 207; *A Supplement to Faults on Both Sides*, pp. 7–12, 52. See also Cunningham, *op. cit.*, II, p. 303; Parke, *op. cit.*, I, pp. 20, 312.

[4] *Mackintosh Papers, Add. MSS.*, 34515, f. 139; *Portl. MSS.*, II, p. 220; Coxe, *Marlb.*, III, p. 132. See also Macpherson, *op. cit.*, II, p. 531.

[5] *Annals*, IX, p. 243; Salomon, *op. cit.*, p. 20; *Portl. MSS.*, II, pp. 213–221, *passim;* IV, pp. 560, 573–5. *Cf. ib.*, IV, pp. 570–572.

[6] Cowper, *Diary*, September 18, 1710; *Coxe Papers*, XXXIII, p. 92; A. C. Ewald, *Life of Robert Walpole*, p. 49; Gibson, *Memoirs of the Reign of Queen Anne*, p. 89.

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men.[1] He did gain the aid of certain eminent financiers, but the majority of the wealthy Whigs held aloof, hoping that he might be forced to give way.[2] At the same moment, the Tories were making his task more arduous, for as they grew bolder they sided with Anne's personal predilections and insisted upon more changes, even though these might delay or check peace negotiations. Somers and Halifax were less sought after, other Whigs were coolly treated, and even Somerset began to feel that his services were not properly appreciated, and turned again to pouting.[3] The portents were clear but the Whigs were blind, and soon Harley felt strong enough to come out openly. Parliament was dissolved, September 21, and within a week all the important Whig ministers save Newcastle and Somerset[4] gave way to thorough-going Tories.

The movement went on quietly, but it was nevertheless a revolution. Zealous Rochester succeeded the moderate Somers as lord president, St. John became leading secretary of state and Harley assumed the place of first, if not prime, minister.[5] The ministry changed from Whig to Tory almost in an instant; it was in truth a real revolution, according to Burnet and other contemporaries. To alter completely a ministry in time of peace would have been at best a summary measure, but to do it in the midst of war was revolutionary, in view of the fact that the old ministers enjoyed the complete confidence of English financiers and the allies, and had four glorious victories to their credit. Indeed, it was worse than revolutionary, it was hazardous, but the Tory zealots forced Harley to run the risk. Thus ended one of the most brilliant and successful ministries that

[1] *Portl. MSS.*, II, pp. 210, 219; IV, p. 617; *Wentworth Papers*, p. 151; *Political State*, I, p. 11; Grey, *Debates*, IV, p. 169; *Journal to Stella*, October 28, 1710. See also *Portl. MSS.*, IV, p. 560; *Examiner*, nos. 2 and 24; *Medley*, no. 13; *Priv. Cor.*, I, pp. 398, 408; Parke, *op. cit.*, I, p. 20.

[2] Luttrell, *op. cit.*, VI, p. 622; *Annals*, IX, p. 248; *Portl. MSS.*, II, p. 219; *Examiner*, no. 24; *Priv. Cor.*, I, p. 396; Chamberlen, *op. cit.*, p. 353.

[3] *Coxe Papers*, XXXIII, p. 91; *Wentworth Papers*, pp. 143–5; Ball, *op. cit.*, I, p. 207.

[4] Cowper's *Diary*, p. 50; *Annals*, IX, p. 243; *Priv. Cor.*, I, p. 342.

[5] *Add. MSS.* (Br. Mus.), 15946, f. 6; *Add. MSS.*, 22217, ff. 5–10; Hearne, *op. cit.*, III, p. 52; *Marchmont Papers*, III, p. 378.

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ever graced any reign, but the permanency of the new one rested entirely with the elections. The returns were even more favorable to the Tories than Harley desired.

Rarely has the Opposition been able to bring about a dissolution in the midst of a successful war, since public opinion is usually averse to changing the leaders of triumphant battalions. That the Tories could accomplish this feat was due largely to the political acumen of Harley and the influence of the queen. No test vote was taken, nor did the ministry find itself outvoted in the lower house. Their power, rather, was undermined gradually by Anne's growing unfriendliness, as the cabinet had not yet developed sufficiently to outweigh the wishes of a sovereign, supported by a discontented minority which was gradually being organized into a real political party.

The Tories were strongly intrenched in power for the moment, even if their strength steadily declined and their popularity gradually lessened after the completion of the treaty of Utrecht. The new ministry was clearly a partisan one, and so remained until the *coup d'état* at the death of Anne. This was the only period of complete Tory supremacy from the Revolution until Lord North presided over the destinies of the kingdom. It was not only a Tory victory but a triumph for the Church as well, as is best shown by the enactment of a law for building fifty new churches in London, the Occasional Conformity Bill and the Schism Act, which mark the zenith of the political power of the Anglican Church. It was also a victory for the landed gentry, who craved peace and relief from the heavy land tax imposed by the war, and who soon secured both by large concessions to France. The masses were also satisfied with peace and freedom from press-gangs. The Jacobites, alone of the group supporting Harley, were disappointed at the failure of the new ministry to make any serious effort to change the succession.

The ministerial revolution of 1710, confirmed by the election of the same year, was remarkable alike for its suddenness and completeness, and was due to political, religious and economic forces. Of the many political forces which produced this revolution, the unpreparedness of the Whigs, the unpopularity of

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the Marlboroughs, the friction over the union, and above all the political acumen of Harley, aided by an unprecedented use of the press in the form of periodicals and thought-provoking pamphlets, stand forth as the most conspicuous. The religious elements were also very prominent in the heats of the Sacheverell trial, and the spirited electoral campaigning of the lower clergy, who feared for the future of the Church under the Whigs on account of the suspension of Convocation, the failure of the Occasional Conformity Bill, the naturalization of foreigners of Low Church persuasion, and the impeachment of Sacheverell. Of the economic and social factors, the weight of taxation, especially on land, the hostility of the moneyed interests to the landed gentry, and the wide-spread suffering of the masses are the most significant. All these things are more or less fundamental, but the opportunity came as a consequence of the queen's desire to rid herself, at all costs, of a group of dictatorial ministers personally distasteful to her. This and this alone gave Harley his opportunity to form a ministry, whose four years of office may be regarded as a prelude to the half-century of Whig ascendancy under Walpole, Newcastle and the elder Pitt.

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GOVERNMENT AID IN FOREIGN TRADE

TWENTY years ago business men would have ridiculed any suggestion that the government send trade scouts abroad for the purpose of developing foreign commerce. Powerful merchants who conducted foreign business had their own representatives in the countries in which they were interested. Other business concerns, caring primarily for the rich domestic trade, were slow to enter the foreign field, mainly because of the extra trouble involved and the large initial costs.

Indeed, not until several years prior to the outbreak of the European War did any government establish an organization for the specific purpose of collecting economic data in foreign countries. The immediate results were such as to justify the new system. The advent of the war, however, necessarily changed commercial policies in the belligerent countries. As the war progressed other national activities gave way to the one paramount business of developing a fighting machine that would bring victory. The warring nations were forced to concentrate their efforts upon the immediate problems of war and neglect their foreign trade. Those nations which took no active part in the war, or which entered later, were placed in a position where they could dictate the terms upon which they would supply foreign markets. Those European countries which had taken the most active part in foreign trade were forced to withdraw, and nations having little or no experience in trade outside their own boundaries were free from competition.

The international dislocation, which became more pronounced as the war progressed, caused competition among purchasing countries for the goods which were available. It was unnecessary for a merchant or manufacturer who possessed raw materials or manufactured goods to seek a market. The purchasers sought the goods. As available supplies diminished, reproduc-

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tion costs increased, and consumers' demands became more urgent. Prices were boosted to unheard-of figures and the profits of foreign traders became fabulous. The necessities of war and the resultant excitement and laxity among purchasing agencies of the belligerent nations permitted prices to be charged which had no relation whatever to production or reproduction costs. Interest in foreign trade in countries able to supply goods increased tremendously. In the United States, for instance, editions of books on foreign trade were quickly exhausted, schools for instruction in the principles of foreign trade were started all over the country, and the economic basis on which this country had been existing was rudely jolted as though by an earthquake.

As the demand for goods continued to increase and enormous profits were being made, it was but natural that production should be stimulated. New plants were established for large-scale production. In the belligerent countries labor-saving devices were adopted and strenuous efforts made to speed up production. When the armistice was signed, the nations which had been forced to neglect their foreign trade did not feel the need for it immediately, as the home demand was sufficient to take a goodly proportion of the commodities produced for some time. Gradually, as home demands became satisfied, nations which before had subsisted mainly by virtue of their foreign trade began to pay ever-increasing attention to the retention of their old markets and the gaining of new ones.

During the war the labor element had thrived as never before. Wages were high, and employment was always obtainable. A change was inevitable. The fear of unemployment and industrial depression became a real danger as the demands for home consumption slackened. The governments of all the leading nations realized the necessity of foreign markets and the desirability of having experienced commercial representatives abroad who could assist producers in times of stress. The brief analyses which follow indicate the serious efforts which several important commercial nations are making to develop foreign markets in an endeavor to maintain home industries and lessen unemployment.

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The British System

In 1899 the Board of Trade, which is the department of the British government concerned with commercial matters, created a Commercial Intelligence Branch for the purpose of disseminating commercial information received from the consular service. This organization was continually limited by niggardly appropriations and lack of authority. The eight commercial secretaries and four trade commissioners who had been appointed in 1907 were under the direction of the Foreign Office, and the reports forwarded by them were usually old before they reached the Commercial Intelligence Branch. This body was not permitted to correspond directly with the consuls abroad nor with the commercial secretaries.

Early in 1917 the Commercial Intelligence Branch was abolished, and a Department of Overseas Trade was created under the joint control of the Foreign Office and the Board of Trade. The head of the Department of Overseas Trade acted also as an additional Parliamentary Secretary for the Board of Trade and was responsible to the president of the Board of Trade for commercial intelligence and cognate matters. Furthermore, he acted as an additional Parliamentary Under-Secretary of State for Foreign Affairs responsible to the Secretary of State for Foreign Affairs on matters relating to the direction and organization of the commercial, diplomatic and consular services. In 1919 the Consular and Commercial Departments of the Foreign Office were transferred to the Department of Overseas Trade, thereby concentrating in one department all the governmental activities for the promotion of foreign trade.

Commercial counsellors and secretaries are assigned to foreign countries where they are attached to the embassies or legations. Trade commissioners on the other hand are assigned to British colonies and dependencies. The standing of the trade commissioner is the same however as that of the commercial secretary.

The dual control of the Department of Overseas Trade is facilitated by an inter-departmental committee composed of

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representatives from the Foreign Office and the Board of Trade under the chairmanship of the head of the Department of Overseas Trade. The administration of the Department of Overseas Trade is further strengthened by an interchange of officers at home and abroad. This exchange method leads, at least theoretically, to an increased accuracy in functioning.

The functions of the commercial counsellors and secretaries may be summarized under four heads: (a) the tendering of advice on commercial matters to the embassy or legation to which they are attached; (b) the preparation of a monograph every six months covering general conditions in their territory; (c) the continual compilation of reports on economic conditions in the country or countries to which they are assigned; (d) the supervision and coördination of the commercial work of the consuls—a duty of especial importance in a country like China, for instance, which has about twenty consulates. As can easily be seen, the benefits accruing to the commercial secretary and to the legation or embassy under this fourfold method of functioning are of considerable importance. Direct results are fostered by the periodical return of commercial counsellors and secretaries to the United Kingdom in order to present personally to chambers of commerce, trade associations and business men an account of economic conditions and developments in their territory. This, in a sense, is only an adaptation of methods long employed by foreign mission boards, who rely greatly on the personal contacts made by returned missionaries to stimulate an interest in foreign missions.

Commercial counsellors and secretaries, although attached to embassies and legations, are not under the jurisdiction of the chief of the diplomatic mission. They are responsible to the Department of Overseas Trade and their instructions come directly and not through the embassies or legations. In their work abroad they must be guided in matters of policy by the wishes of the chief of the diplomatic mission. Because such a dual relationship demands no small amount of tact, they must be chosen with extraordinary care.

Frequently special investigations are conducted by the Department of Overseas Trade. These special investigations are

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usually made at the request of some trade organization. In case these investigations are of a general nature, questionnaires are prepared by the Department acting jointly with the trade association and answers are required to be furnished by the commercial counsellors and secretaries and trade commissioners. Investigations of a technical nature are made by special commissions which include representatives of the trade association interested, the expense of such investigations being borne in part by the trade association. All reports submitted by these commissions are treated as confidential and circulated only among British traders.

At the present time the British Government maintains fifty permanent offices abroad to which are assigned six commercial counsellors, thirty-four commercial secretaries, fifteen trade commissioners, two commercial commissioners, and one commercial agent. The Department of Overseas Trade also has twenty-two special investigators abroad, of whom eleven are engaged in studying various industries in the Occupied Territory of Germany and the remaining eleven are in other foreign countries investigating markets for British products.

The Department of Overseas Trade endeavors, as the foregoing remarks indicate, to foster trade organizations interested in foreign commerce and to render practical assistance to British business men. To this end it supplies British merchants and manufacturers with information relating to foreign trade and communicates to them opportunities to sell goods abroad. It also maintains a complete list of British manufacturers and exporters, for the use of foreign purchasers.

In addition to its administrative sections, the Department of Overseas Trade maintains numerous specialized sections. Several of these deal with geographic units and the others with technical trades. The foreign section comprises divisions specializing on Latin America, the United States, central and southern Europe, Belgium, Russia and Scandinavia, the Near East and the Far East. The Empire section includes divisions specializing on Canada, India, Africa, Australia etc. The divisions of the trades section specialize on textiles, iron and steel, boots and shoes, chemicals etc. Work is laid out on a systematic and comprehensive basis.

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The British system has taken from the Foreign Office and the Board of Trade all direct jurisdiction over matters relating to foreign commerce. The dual control of the Department of Overseas Trade is strengthened by the inter-departmental committee above mentioned, but the success of the system depends largely upon the prevalence of a spirit of coöperation between the Foreign Office and the Board of Trade and the completeness of the realization of the common end sought. The organization of the foreign service contains all the excellences and apparently none of the objectionable features to which such an institution is naturally subjected, but its permanency depends very directly upon its personnel.

The French System

More than ten years ago a commercial attaché service was created to operate under the supervision of the National Bureau of Foreign Commerce (*Office National du Commerce Extérieur*), an organization supported by a subvention from the Paris Chamber of Commerce. Five commercial attachés were appointed and assigned to the United Kingdom, the Far East, the United States, Latin America, and the Near East. It was impossible for them to meet the heavy demands made upon them.

In the summer of 1919 a law was passed by the French parliament declaring the National Bureau of Foreign Commerce a public department and reorganizing the foreign trade service. The functions of the National Bureau include the supplying of commercial information of every nature which tends to the development of foreign trade and to the extension of markets in foreign countries. In addition to the subvention out of the Ministry of Commerce appropriation, the National Bureau is permitted to receive subventions, gifts, legacies etc. provided by public offices, chambers of commerce, associations and private sources, and to charge a fee for its services to the public. A statistical tax of five centimes per unit on all articles imported and exported is levied for the support of the National Bureau. In accordance with the revised service, commercial attachés have now been assigned to the United Kingdom, Hol-

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land and Belgium, Spain and Portugal, Germany and Austria-Hungary, the Scandinavian countries, Russia, Italy, Switzerland, and the Balkan countries and the Levant.

The commercial attaché is appointed by a decree on the recommendation of the Minister of Commerce with the advice of the Minister of Foreign Affairs. He is charged within the jurisdiction of his district to study and treat all economic questions of interest to the diplomatic office under control of the diplomatic chief.

The functions of French commercial attachés do not overlap those of consuls. It is the duty of the former to collect information of an economic character. They are specially instructed to procure tenders and specifications of projected public works and adjudications and send them to France. They are also charged to furnish precise information on the solvency of states or enterprises which need financial aid from France. This leaves the consul free for strictly consular work.

Commercial attachés are attached to the personnel of the diplomatic mission in the country to which they are appointed. They correspond directly with the Ministry of Commerce, and further are authorized to communicate directly with other branches of the French government, a privilege which allows them a wide scope of action, but which if not regulated carefully may lead to confusion.

Assistants called "commercial agents", who correspond in some degree to trade commissioners of the United States, are assigned to commercial attachés. Such officials occupy themselves more especially with small subdistricts under the commercial attaché. The appointment of a commercial agent is communicated to the local government through the diplomatic chief. In countries where no French commercial attachés are located, a commercial agent may be appointed with the same duties and rights as a commercial attaché. There are now commercial agents in Germany, Finland-Esthonia, Hungary, Italy, Japan, Persia, Portugal, Czechoslovakia and Serbia.

The French system differs radically from others in that it is not entirely supported by the government. Considerable difficulty and misunderstanding may develop over the question of

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fees charged for services. The satisfactory solution of this problem is the key to the efficiency of the entire service.

One of the serious obstacles which must be met in maintaining a governmental organization to promote foreign trade is the difficulty of preserving the closest liaison between the business community and the foreign service. Unless the relations are intimate and cordial the foreign service will tend to atrophy through failure to perform any useful function. The problems of the business community must be conveyed to the foreign representatives. This requirement is met in the French system by placing important business men on the advisory committee of the National Bureau.

Another feature of the French system which deserves special mention is the granting of diplomatic privileges to commercial agents. When the commercial attaché is on leave of absence, the commercial agent may substitute without embarrassment or inconvenience.

The Italian System

Italy is the least self-sufficing of all European countries. She must import a large part of her foodstuffs as well as the raw materials required in many of her important industries. In order to secure these commodities it is necessary for her to sell her products abroad. Failure to dispose of her goods quickly results in a crisis as a one-way commerce soon demoralizes exchange. Such a crisis has developed in Italy since the armistice.

The activities of the Italian government in promotion of foreign trade are focused in the Central Bureau for Commerce and Political Economy (*Ufficio Centrale di Commercio ed Economia Politica*), a bureau of the Ministry of Industry and Commerce. This bureau maintains a corps of commercial attachés and commercial agents abroad.

A commercial attaché is nominated by a decree of the Ministry of Industry and Commerce but his designation and assignment to a post are determined in conjunction with the Minister of Foreign Affairs. He is subject to a five-year period of trial, after which time only, if the results have proved satisfactory,

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his appointment will be confirmed and he will assume the office and dignity of a government official. During this probationary period he is known as a commercial delegate. Commercial attachés enjoy all the privileges of the diplomatic and consular staff. Commercial agents are assistants to the commercial attaché, and are ordinarily Italian business men residing abroad who are employed by the commercial attaché to prepare economic reports upon the district in which they live and to assist in commercial matters.

The direction of the Italian commercial attaché service has recently been transferred from the Ministry of Foreign Affairs to the Ministry of Industry and Commerce. The commercial attachés are expected however to give copies of all communications sent to the Ministry of Industry and Commerce to the chief of the diplomatic mission to which they are accredited or to the consul in their district. In so far as their activities in the foreign countries are concerned, they are subordinate to the chief of the diplomatic mission and are expected to conform to the general policy outlined by him. When there is more than one commercial attaché assigned to a country, it is the duty of the chief of the diplomatic mission to direct and coördinate their activities. When there is but one attaché assigned to a country the chief of the diplomatic mission does not supervise his work. He is directed solely by the Ministry of Commerce and Industry. It is difficult to imagine an ambassador or minister supervising the activities of two or three commercial attachés in addition to the many diplomatic and political burdens resting upon him. Even though he had the inclination to do so the ambassador's onerous diplomatic duties would, it appears, preclude his actual supervision of the activities of two or three highly trained specialists. Another objection to this arrangement is the decentralization of responsibility. It is to be presumed that the commercial attachés, who are permanent officials, would be more concerned about the impression they were making in the Ministry of Commerce and Industry than about performing their duties to the satisfaction of an ambassador or minister who is usually a temporary official.

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It is the function of the Italian commercial attaché to report upon economic conditions and to promote Italian commerce in the country to which he is assigned. He is specifically charged to report to the Ministry of Industry and Commerce any important information with regard to prices, tariffs, banking regulations, and exports and imports. Another obligation falling upon the commercial attaché is the promotion in the country to which he is assigned of sample fairs and exhibitions of Italian products. He is instructed to assist Italian chambers of commerce and Italian merchants and manufacturers in finding markets for their goods. Merchants and importers who desire to purchase goods in Italy may call upon the attaché for information and assistance.

Recently Italy has increased the number of her foreign representatives and now has twenty-seven commercial attachés or delegates abroad. Three each are assigned to the United States, Germany, and Russia; two each to France, Great Britain, Brazil, and Argentina; and one each to Austria, Belgium, Bulgaria, Chile, Czechoslovakia, Greece, Hungary, Spain, Switzerland, and Turkey.

In those countries to which no commercial attachés are assigned, the diplomatic and consular agents are required to report upon economic conditions to the Ministry of Industry and Commerce. Moreover, the Ministry of Industry and Commerce is permitted to communicate directly with diplomatic and consular officers on economic and commercial subjects. This privilege, however, is not extended to the commercial attachés. The omission of such an important feature cannot fail to interfere with the efficiency of the commercial attachés. When commercial inquiries concerning an extensive territory are addressed to them and they do not possess material for a thorough reply, much time and labor would be saved if they could request the consuls in the various localities to furnish it. The replies received from the consuls could be assembled and a comprehensive and up-to-date reply made. When the next inquiry was received the information would be immediately available. This idea of having the office of the commercial attaché serve as a clearing-house for economic information has been adopted by the British with excellent results.

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The Brazilian System

Brazil has recently created a commercial attaché service supervised by the Division of Commercial Affairs (*Divisao dos Assumptos Commercioes*) of the Ministry of Foreign Relations. The duties of the Brazilian commercial attaché are similar to those of other countries. He is required to lend assistance in all commercial matters to the embassy or legation to which he is attached, to report upon economic conditions in the country or countries assigned to him, to assist Brazilian merchants and producers in finding markets for their products, to protect Brazilian commercial interests, and to organize and assist displays and exibitions of Brazilian products. His report is sent simultaneously to the embassy or legation to which he is attached and to the Ministry of Foreign Relations.

Six commercial attachés have been appointed by the Brazilian government. The one in Washington is assigned not only to the United States, but to Canada, Cuba and Mexico as well; in Buenos Aires, to Argentina, Uruguay and Paraguay; in Santiago, to Chile, Peru, Ecuador and Bolivia; in Paris, to France, Belgium, Spain, Portugal and Italy; in London, to Great Britain, Holland, Sweden, Norway and Finland; and in Berlin, to Germany, Austria, Poland, Switzerland and Czechoslovakia. Naturally, the territory assigned to these representatives is so extensive that it is impossible for them to do more than keep their home offices informed of the most important developments. Undoubtedly as the system develops and need is demonstrated, the service will be extended. The next decade ought to see a very material economic development in Brazil that will lead to a strengthening of its machinery for foreign trade.

Miscellaneous Systems

During the summer of 1919 the German government reorganized its Foreign Office and incorporated therein a Foreign Trade Bureau (*Aussenhandelsstelle*). The expediency of establishing a commercial attaché service is now a moot question in Germany. Japan formerly had a commercial attaché service but discontinued it because the results were not satis-

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factory. The reëstablishment of such a service is now under consideration. Early in 1919 the Chinese cabinet sanctioned the proposal of the Ministry of Agriculture and Commerce that China appoint five commercial attachés, but internal troubles have prevented further action. On January 10, 1920, the president of Venezuela issued a decree creating a commercial attaché service to operate under the supervision of the Ministry of Foreign Affairs. The Mexican government has maintained a commercial attaché in Italy for more than a year although the *raison d'être* in this case is hardly commercial. Finland, Latvia and Rumania also maintain trade scouts abroad, and Belgium contemplates the establishment of such a corps. As Norway is especially desirous of maintaining an active trade with Latin America she has assigned a trade commissioner to South America.

The American System

The United States has not neglected its foreign commerce. The Bureau of Foreign and Domestic Commerce of the Department of Commerce is charged with the duty of fostering, promoting and developing the manufacturing industries of the United States. This Bureau maintains a staff of experts in Washington who are continually studying the foreign commerce of the United States and endeavoring in every practical way to extend the markets for American products. Specialists on tariffs, finance, transportation, and the technique of foreign trade are at the service of American merchants, manufacturers and exporters. There are also divisions specializing on Europe, the Near East, the Far East, Latin America and Russia.

The Bureau of Foreign and Domestic Commerce issues on every week day (with the exception of holidays) a publication known as *Commerce Reports*, which is devoted exclusively to the promotion of the foreign trade of the United States. It issues from time to time special monographs concerning markets for American products and handbooks upon economic conditions in various countries. Through its branch offices practical assistance and advice are given to business men.

In 1907 the first trade scouts were sent abroad by the United

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States government to investigate markets for American goods. From that time until 1914 the Bureau of Foreign and Domestic Commerce continued to send out field agents called "commercial agents", who supplemented the work of consular officers through special investigations for which they were fitted by training and experience. These special investigations covered a wide range of subjects, such as the trade in cotton textiles, cotton-seed products, machinery, lumber, boots and shoes, and other articles of domestic manufacture or export. The United States had no representatives stationed abroad permanently who were especially trained in economic subjects and whose experience and proclivities lay in the field of foreign trade. Although the commercial work of the consular service was invaluable there were many causes operating to prevent these officials from filling this important need. In many countries the consular officers were already overburdened with strictly consular duties. As routine matters such as viséing passports, assisting American seamen etc., almost invariably demanded immediate attention, commercial matters were subject to delays and not infrequently assigned to young and inexperienced officials for attention. The procedure characteristic of foreign offices ruled in the consulates. The American embassies and legations had no commercial advisers. There was no official in a foreign country whose sole business it was to promote American foreign commerce and report upon commercial and industrial conditions. To fill this need the position of commercial attaché was created by Congress in 1913. The legislative act under which the commercial attachés hold office prescribes that they shall be appointed by the Secretary of Commerce after examination to be held under his direction to determine their competency, and shall be accredited through the Department of State.

In inaugurating the commercial attaché service the Secretary of Commerce described the commercial attaché as "an officer whose duty it is to maintain a general outlook over trade in the country within which he is stationed". His duties are threefold. As the representative of the Department of Commerce he is especially charged with the duty of reporting upon eco-

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nomic developments and markets for American products. In his capacity as commercial attaché to the embassy or legation, he advises the chief of the diplomatic mission upon commercial matters and assists in commercial work. In his capacity as promoter of American foreign trade he is called upon continually to advise and assist American business men traveling abroad and to assist foreign importers who desire to purchase American goods. The commercial attaché is brought back to the United States at regular intervals in order to stimulate an interest in foreign trade and interpret economic developments which have taken place in his territory.

The first commercial attachés were sent abroad in 1914, one being sent to each of the following cities: London, Berlin, Paris, Petrograd, Buenos Aires, Rio de Janeiro, Lima, Santiago (Chile), Melbourne and Peking. One clerk was assigned to each attaché. The volume of work required of the commercial attachés in several of the more important posts increased so rapidly that they could not properly handle it. Because of the sudden and remarkable developments in the economic structure of society brought about by the war, the entire time of one specialist in each country was required to prepare reports. Moreover, the extraordinary increase in the foreign trade of the United States brought an increase in the number of problems presented to the embassies and legations and very frequently referred to the commercial attaché for solution. To meet these conditions the Department of Commerce in 1919 assigned assistants to the commercial attachés in several countries. These assistants were known as trade commissioners on general assignments. They were, unfortunately, without diplomatic status and were placed in an anomalous situation when the commercial attachés were absent from their posts. Despite this serious handicap these assistants quickly proved their value. Since July, 1920, the Department has expanded this idea and is now assigning young men to foreign posts as assistant trade commissioners on general assignments. This step makes a well-rounded unit of the foreign service of the Department of Commerce.

The Department of Commerce now maintains twenty-two

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permanent foreign offices and has six special investigators abroad. These investigators are trade commissioners on special assignments (they were formerly known as commercial agents). The practice of assigning men in the home office to foreign posts and vice versa has been adopted with benefit to the entire service.

The consular service, of course, has not discontinued reporting upon economic developments. Consular reports are forwarded to the Department of State and then to the Department of Commerce. Many of them are published in *Commerce Reports*. It may be observed that the commercial attachés have no jurisdiction over the commercial work of the consular officers located in their territory nor even the privilege of requesting economic information. In several instances, however, the commercial attachés and consular officers have arranged for a mutual exchange of information.

Despite several handicaps the American system is functioning and upon more than one occasion the American business public has emphatically approved of the commercial attaché service. As the United States assumes a more important place among the leading nations and as its foreign commerce increases it may be expected to perfect and enlarge this relatively new but important branch of the foreign service.

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THE MEXICAN PROBLEM: SELF-HELP OR INTERVENTION[1]

A FEW miles from Puebla, the second city of Mexico, stands the famous pyramid of Cholula. From the midst of a rolling plain, girt by rugged mountains, rises an artificial mound that the elements have softened into a semblance of a hill. A pretentious church of rococo architecture crowns its summit, from which the curious traveler may count the scores of other church domes that dot the plain, or fix his gaze on the majestic mountain wall that culminates in the snowy crest of slumbering volcanoes. Alike in fertile plain and in frowning peak Nature here seems prodigal of her wealth and beauty to a degree that is unusual even in this land of colorful and charming contrasts.

Man's handiwork marks and mars the scene. Mud hut and votive mound recall the humble native toiler, who, under both pagan and Catholic tutelage, has tilled the neighboring fields, delved in the more distant mines, and more recently learned to labor in the modern factory. Over all the Spaniard has placed the symbols of his faith and his culture, and likewise of his ruthless power. Thus Cholula and its environs epitomize the life history of Mexico. The mound with its native foundation and Spanish superstructure represents the two factors, aboriginal and intrusive, which have determined the country's development in the past and will doubtless condition it in the future.

To their forced combination with the Spaniard, four centuries back, the leading groups among the Mexican aborigines brought several significant contributions, notably: a tribal organization still represented by a vigorous communal life; a cultural basis that manifested itself in the Mayan hieroglyphs and the Aztec Calendar Stone, in artistic pottery and textiles, and in monolithic buildings of genuine architectural merit; and a sturdy

[1] In accordance with their general policy, the editors assume no responsibility for the views expressed or recommendations advanced in this article.—THE EDITORS.

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physique, capable of enduring prolonged abuse in warfare or in labor. These are factors which make for survival rather than for self-help. Hence, after three centuries of contact with a superior civilization, the Mexican peon, whether of native or of *mestizo* stock, remained hopeless, ignorant and unprogressive, his native ability undeveloped, his legal rights ignored, and his productive power mortgaged to the limit. The existence of an ill-assimilated and quasi-servile agricultural population, predominantly Indian in blood, side by side with a cultured aristocracy of foreign origin, constituted one of the gravest problems bequeathed by the Spanish colonial system to modern Mexico.

During the three centuries of Spanish colonial rule, Mexico gained a racial and cultural admixture of permanent value. Crude as was the ordinary Spanish *conquistador* and ruthless as were his methods of domination—even when mitigated by the restraining influence of the clergy—he nevertheless gave the natives better laws and a new language, and he permitted when he did not help the missionaries to carry on their work of Christianization and civilization. Despite these benefits, his system made for repression rather than for progress. The people of New Spain were subjected to an autocratic control which rendered both Creole and Indian more or less irresponsible and seemingly incapable of self-directed progress.

The first half-century following the separation from Spain witnessed little improvement. The Creole replaced the Spaniard in political control but gave freedom neither to the natives nor to the greater part of the *mestizos*. The new leaders fought over the virtues of centralism as opposed to federalism, or championed liberalism against clericalism. Small was their regard, however, for the masses that tilled their fields or filled their armies. During a half-century of strife the *mestizo* gained some slight social recognition. An Indian became president for a few troubled years and another was the intellectual leader of his day. Nevertheless, neither class as a whole secured essential justice.

During this half-century three conspicuous personalities emerged, each representing a distinct type of political experi-

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ment. Augustín de Iturbide ushered in a short-lived Creole empire of which he was the most conspicuous victim. Mexican self-determination evidently was not content with the trappings of native royalty. Warned by his fate, the next self-appointed leader, Antonio López de Santa Ana, did not definitely assume the royal state his ambition craved, but at intervals during thirty troubled years he actually exercised royal power under the guise of a republican administration. As little did the people accept his destructive régime. Then came forward the philosophical liberal, Benito Juárez, but even his honest intentions failed to clear the political horizon or bring to a long-suffering people any guarantee of lasting peace. Monarchy, centralized autocracy, and philosophical liberalism, as represented by native exemplars, failed to develop any adequate response in the people at large.

At the same time various external influences were making themselves felt, although not always in the form of open intervention. From the constitution of the United States Mexican doctrinaire publicists copied federalistic principles which they could not understand—principles that ran counter to the whole course of their previous development. Great Britain offered easy loans that cemented her immediate commercial interests, laid the basis for permanent financial dependence, and later gave occasion for more open intervention. French literature and philosophy, particularly the positivist doctrines of Auguste Comte, attracted enthusiastic devotees among Mexican *littérateurs* and lawgivers, but cured no deep-seated ills of the body politic. During this same trying period hostile forays by Spain, France and England, singly or in combination, territorial aggression by the United States, and Maximilian's tragic attempt to establish a monarchy supported by French bayonets, showed that the unfortunate country, torn by domestic dissension and lacking the elements of self-confidence, was in continual danger of foreign conquest or internal dissolution. Such a dissolution promised to be even more pitiful than the contemporary downfall of the Central American Confederation. The one hopeful event of this distressing time was the steadfast resistance of Juárez to European control—a resistance ably seconded by the diplomacy of William H. Seward.

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For the mass of the Mexican people, the political changes that preceded the last quarter of the nineteenth century, brought neither social uplift nor economic betterment. It was at this juncture that they were subjected to a new external influence—modern capitalism. The railroad was the most prominent symbol of the new era, for it strengthened the centralization of political control, hastened industrial development, linked together diverse areas, and for the first time gave the peon a real chance to migrate. The railroad also stimulated the cultivation of staple products, gave access to mines and oil fields, developed textile factories, encouraged the production of smelters, coke ovens and steel plants, hastened the improvement of harbors and roadsteads, led to the rebuilding and beautifying of cities, and marvellously expanded foreign and domestic trade. So much for the greatest instrument of intervention that Mexico has experienced since the Spanish conquest.

By this same agency centralized autocracy, directly encouraging and allying itself with foreign capitalism, was enabled to rivet its hold more firmly on the country at large. The chief exponent of this system, who was to give a new meaning to the Spanish-American dictatorship, was Porfirio Díaz, a native of Oaxaca. In his veins flowed the blood of the Indian mingled with that of the Spanish conqueror. Appreciating as few Mexicans have appreciated the weaknesses of his fellow countrymen, he firmly believed that for them his personal rule offered the one remedy. His methods were simple but effective. He must have a military establishment at home capable of maintaining order and he must develop the resources of his country by the aid of outside capital. Hence the combination, foreign and domestic, that wrought in one generation the wonderful material transformation of Mexico.

The historian would find it difficult to accept the opinion of the enthusiastic speaker who once began a list of the world's great leaders with the name of Jesus of Nazareth and ended it with the name of Porfirio Díaz, and yet it would be equally an error of judgment to deny the Mexican dictator a place among the great men of his century. Remembering that he belonged to the nineteenth rather than the twentieth century and that

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he was the self-appointed leader of a retarded people, the writer is not disposed to judge Díaz altogether harshly. He was courageous with an abiding faith in his own judgment and powers. Able to assume a ruthlessness that terrorized his enemies, he conciliated and won adherents by knowing when to stop bloody proscriptions and where to distribute personal favors. No abiding friend of Díaz ever came to exile, penury, or death through the latter's will. In less than a quadrennium after his first accession to the presidency he was able to build up a politico-military control that was not destroyed by an interregnum of four years, during which the reins of government were in the hands of a friend. Without serious opposition at home or abroad, Díaz returned to the presidency and became, to all intents and purposes, a permanent dictator. The new form of enlightened despotism, or "Díazpotism", which he established was in more than one respect beneficial, at least in its earlier years, though it became a byword ere its author fell from power. Yet it assured to his native land a generation of tranquility.

The beginnings of modern industry in Mexico during the rule of Porfirio Díaz worked a great change in the life of thousands of peons who became industrial workers. In his new rôle of mechanic, factory operative, or railroad employee, the Mexican workingman exhibited a considerable aptitude for routine tasks, and he very rapidly altered his manner of living. He discarded his picturesque garb for prosaic denim overalls. Oftentimes he began to show evidences of having made occasional visits to the barber shop. He became something of a traveler, taking his womenfolk and children with him or readily adopting others in his new habitat and providing for them more bountifully than before. His wages continued to rise, but not so rapidly as his desires. Less contented and less docile than his ancestors had been, he was easily roused by labor agitators. It may be of interest to remark in passing that not a few of the labor leaders of this period were Mexicans who had resided for a time in the United States. Even the repressive measures of Díaz, typified by the massacre of striking mill-operatives at Rio Blanco, could not quell the more serious manifestations of working-class discontent.

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The same spirit spread abroad among the agricultural laborers, and there showed itself in the growing demand for individual landholdings. Possibly few who voiced this demand could explain it rationally; but the program was an attractive one, particularly in those districts where former village commons (*ejidos*) had been confiscated—often at the behest of a foreign mining corporation or other group of concessionaires. Furthermore, discontent showed itself among the growing clerical and managerial groups, who joined with the less influential professional men to form an expanding middle class. This element felt the pinch of higher prices, but was more directly influenced by some definite political movement, such as Madero's campaign on the issues of "effective suffrage" and "anti-reëlection".

It may be a sign of salutary progress when people begin to ponder the problems of modern industrialism; but it is fraught with danger when less than a fourth of the adult population can read and write and when few possess political experience. Herein lay the failure of Díaz. His rule, like that of the earlier viceroys, had done less than it should have done to educate the masses and train them for political and economic responsibility. The danger is still greater when industrial unrest is accompanied by lack of communications and extreme heterogeneity of population. All of these conditions united to handicap the Mexican people when they struck blindly against Díaz and his supporters, domestic and foreign. They drove him from power, but they displayed a woeful ineptitude for united action, and it is not yet certain that they have developed a government capable of preserving immediate order or giving promise of ultimate stability.

With the fall of Díaz a new chapter begins in the melancholy story of the Mexican's struggle toward enlightenment, economic freedom and political self-respect. Díaz's successor was a political dreamer who believed that his utopian visions embodied practicable realities and that party catchwords could work political miracles. Francisco I. Madero was a man caught by the wave of revolution and borne on its crest. The tempest appeared to break at his bidding, but he could not control its

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direction nor could he regulate its force. Irresolute though dictatorial in his attempts at guidance, he proved to be weaker than the selfish interests whose power he could not measure and whose malevolence he blindly ignored. He possessed courage without constancy, but his love for the common people was unfeigned. Many Mexicans still revere him as the patron saint of their unfulfilled aspirations.

During the brief months of his presidency international events so shaped themselves that the United States alone could effectively intervene in Mexican affairs, helpfully or otherwise. The Taft administration and its representative in Mexico City assumed an attitude of uncertain friendship. It is doubtful whether any foreign influence could have preserved the government of Madero from the results of his quixotic stubbornness, but there is little evidence of effort on the part of our administration to save him or to ward off the period of anarchy that would almost inevitably follow his overthrow. Our troops were massed along the border while sinister rumors as to their purpose or prospective use circulated in the political and financial centers of both countries. While such rumors may well be discounted, the essential point is that in 1912 the existing government of Mexico needed the moral and material support of the United States and did not receive it.

Apparently President Wilson was willing to assume full responsibility for the downfall of Madero's successor, General Victoriano Huerta, although the latter was bound to fail in his attempt to reënact the rôle of Díaz. Having broken from the leash, the Mexican people could no longer be curbed by the outworn methods of a dictator. Many shrewd observers believe that an uprising would have eliminated Huerta, had American troops never landed at Vera Cruz. That event hastened his overthrow, for the dictator, astute as he showed himself in other matters, failed in this instance to make full use of the opportunity to rally patriotic sentiment in his own behalf.

Of Carranza it is difficult to speak with certainty. A pro-German his enemies called him, and in act and word he seemed to justify many of their charges; but his friends claimed that

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he was merely giving too much latitude to his spleen against the United States or that he was yielding to the demands of the military clique that kept his government alive. Under his rule, graft and peculation permeated the public service, but he had to permit this, his apologists asserted, if he wished to continue in office. No Spanish-American executive in recent years has tried so persistently as he to arouse a sentiment against the United States among his neighbors. It would not be wholly unjust to characterize Carranza as a "stand-pat" opportunist, gifted with a spirit of stubbornness rare even in the western hemisphere. At a time when he should have welcomed American aid, he repelled it with a disdain that did not encourage a second proffer. On the other hand it seems that all tentative offers from this side of the Rio Grande were accompanied with conditions repugnant to Mexican ideas of national honor or to Carranza's personal pride. The forces of intervention and of self-help were certainly working at cross-purposes during the past five years, but at least during this period Carranza made a determined effort at independent action.

One of the most significant features characterizing the period of Carranza's régime was the marked tendency toward socialism. In Sonora and Yucatan radical socialistic experiments were carried out. In the former state, General Calles issued a program of prohibition and labor reform that would have meant little short of a social revolution, had practice not failed to keep up with precept. In Yucatan, General Alvarado, Carranza's representative in the peninsula, became imbued with the principles of socialism and started to carry them out in a manner wholly autocratic. His *Comisiôn Reguladora* became the sole agency for disposing of *henequên*, the fibre used in making binding-twine, and for a time the American Harvester Trust had to pay double for its raw material. The home planters gained little from the enhanced price; the government of Carranza profited only to a moderate degree. The whereabouts of some fifty million pesos, the supposed surplus credited to the *Reguladora* in 1918, is still one of the mysteries of recent Mexican finance. Wages were increased on an unprece-

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dented scale and hours of labor reduced to the minimum. Such sudden changes had the natural effect of unsettling all social and economic conditions. Laborers rode in carriages while their employers walked—not in itself a mournful spectacle—but unfortunately higher wages for the masses meant idleness and inefficiency. Too often their new leaders encouraged the workingmen to take to the bush or to the towns, abandoning their regular tasks. Even the new emphasis given to schools and other educational agencies failed to counteract these unfortunate movements.

Yucatan affords the most notable instance of state socialism, but such industrial centers as Vera Cruz, Puebla, Aguascalientes and Tampico, also showed alarming symptoms of the prevalent social unrest. Strikes and lockouts, accompanied by theft, arson, assassination and actual starvation have afflicted these communities during the past five years and resulted in the most bitter manifestations of class-hatred. These experiments have only slightly benefited the classes they were intended to serve, although the government has at the same time legislated to give greater freedom to women, to improve the condition of children, to advance sanitation and public health, to distribute lands and improve cultivation, and to alleviate the miserable housing conditions of the laboring population. The insistent necessities of the military budget, not to mention public graft, were largely responsible for frustrating these measures of social reform.

One of the most-criticized features of the Carranza program was the Constitution of 1917, designed to replace the Constitution of 1857. The earlier document, as a charter of philosophical and political liberalism, had served in a measure to protect personal and property rights, and had appealed strongly to the idealism of a few political thinkers whom Díaz permitted to expound their doctrines on condition that no attempt be made to carry theories into practice. In actual administration, nevertheless, the Constitution of 1857 had remained a dead letter in so far as it conflicted with the personal wishes of the dictator. Revision was urgently needed, but revision honestly undertaken with due regard for the foreign and domestic interests involved.

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In the writer's opinion, the new constitution, though it purported to do for social justice what its prototype had done for political liberalism, was undeniably disappointing. In its text was embodied a mass of minute domestic legislation, much of which was so far beyond the comprehension and practice of the average Mexican administrator that effective and equitable administration could hardly be expected. Formulated gradually by means of ordinary statutes and after an opportunity had been afforded for enlightening public discussion, the reforms which were enunciated in the constitution might serve to promote the education of the masses in principles of social betterment; but when promulgated suddenly *en masse* the same measures could not be expected to produce wholly beneficial results. In not a few instances, these enactments were simply utilized by self-seeking politicians as a means of currying favor with ignorant constituents or were rendered nugatory by the inability of both the common people and the officials to make so abrupt a transition from an era of social and economic privilege to a novel régime of social democracy.

In the United States a very wide publicity was given to the articles of the constitution dealing with the regulation of foreign investments. A certain section of the American press—perhaps it is unnecessary to particularize—seemed especially anxious to arouse public opinion against Article XXVII, by which, among other things, American interests in Mexican petroleum deposits were adversely affected. In passing, it may be remarked that more than one of Mexico's Caribbean neighbors have been concerned with the problem of regulating the exploitation of their petroleum resources by foreign capital and have studied or imitated Mexico's experimental attempt to solve this problem. As one student of the question tersely puts it, a Spanish-American country posessing rich oil-fields is in the embarrassing position of a pretty woman without dower —her honor is at stake.

Not all commentators on this puzzling Article XXVII have been willing to grant that it represents an honest attempt to deal with the oil problem. Some have ascribed its adoption to the machinations of the German minister to Mexico or to sheer

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malevolence toward American interests. Before assuming, however, that such an imputation of unfriendly motives can be a sufficient explanation of the situation, one should attempt to visualize the attitude of some of the more far-sighted Mexicans. They, at least, desire sincerely to preserve the natural wealth of their land from predatory exploitation and premature exhaustion. Warned by America's eleventh-hour efforts to conserve natural resources, Mexican leaders might conceivably come to the conclusion that the better course was to be forehanded in preventing powerful aggregations of capital from securing a strangle-hold on the country's natural wealth. While jurists argue the question whether the doctrine of self-determination implies an imprescriptible right on the part of a backward nation to reserve for itself in whole or in part the enjoyment of its own natural resources, the leaders of such nations may perhaps be pardoned for assuming that they are justified in exercising that right. In this conflict between the immediate demand for cheaper petroleum and the disputed rights of a backward population lies the crux of many an unhappy controversy between the more progressive nations, on the one hand, and states like Mexico, on the other hand. The existence of similar problems in respect of Costa Rica, Colombia and Panama, and the likelihood that these problems will increase in number and complexity, point to the desirability of establishing some impartial tribunal for their adjudication. Some writers, indeed, assert that the oil-producers desire, not to settle their differences with the Mexican government, but to keep the controversy open as a covert threat of intervention.

The educational program of the Carranza government was constructive and far-reaching. The new emphasis on local responsibility in public instruction was a departure from the principle of centralization which had been so prominent in the policy of Porfirio Díaz, but, far from weakening the educational system, the decentralization of control appears to have had a distinctly salutary effect. Public statistics and personal reports alike indicate that under Carranza's administration the common schools had a larger attendance than during the rule of Díaz. Such was the testimony given the writer at that time

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by Señor Andrés Osuna, who, like many of his enthusiastic associates, was trained in the United States; and similar reports came from Yucatan, Vera Cruz, Puebla and San Luis Potosí, not to mention the more progressive states that line the American border. Carranza and his supporters clearly recognized that the education of the unlettered masses was the most urgent necessity of the hour. Instead of succumbing to discouragement in view of the inadequacy of their resources, the government adopted whatever practical measures could be devised to meet the need. The head of the National Preparatory School proposed to make that institution less like a French *lycée* and more like an American high school, adapting it to more democratic requirements than it had served in the past. Another leader, who had been eminent in the Díaz administration, planned to bring to the Mexican peon the type of instruction that has made Hampton and Tuskegee justly celebrated. The creation of a score of such institutions is one of the crying needs of Mexico.

To be sure, the picture has its darker side. Like all branches of the civil administration, the school system was relegated to a position of secondary importance as compared with the army, and military expenditures necessarily constituted a first charge on the national treasury while educational projects were handicapped by neglect and lack of funds. Banditry and civil conflict were too prevalent in some districts to permit the secure and uninterrupted development of the schools. Moreover, there were complaints about graft and about the inadequacy of teachers' salaries; such complaints, however, have been directed even against the American public schools. During the closing days of Carranza's administration these conditions rapidly grew worse. He alienated many of the leading educators and cut appropriations to the minimum. So many schools were forced to close their doors that we may say that he left the system of public instruction—his chief pride—much less efficient than he found it.

With all his good intentions, Carranza failed to achieve his major purposes. However persuasively he might appeal to his own people to help themselves, or to his Hispanic neighbors to

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stand united against the dominant Anglo-American, and however progressive his policies of internal reconstruction may have been, he succeeded neither in laying the foundation for a successful foreign policy nor in keeping his own house in order. His stubborn antagonism toward the United States may be explained on the grounds that the conditions attendant upon his own recognition by Washington had not been conducive to cordiality, that many of the influences emanating from the United States tended to increase his ill will, and that uncertainty regarding the issue of the Great War encouraged him in cherishing illusory hopes regarding the success of his neutral and Pan-Hispanic policy. Judged by its results, however, Carranza's failure to establish cordial relations with the United States was little short of a calamity for his government. It was one of the principal reasons for his ultimate downfall.

In maintaining domestic order Carranza was only partially successful. His authority, to be sure, extended over the greater part of the country, including the larger cities, the chief ports and the connecting railways. Within this area the government functioned in a fairly regular manner and the common people seemed, for the most part, to follow their usual routine. Nevertheless, even within the bounds of Carranza's actual jurisdiction, there was not sufficient security to permit a full resumption of normal civic and economic life. For instance, there were so many reports of train wrecks and holdups that one feared to undertake a journey by rail; the traveler bold enough to venture on such a journey was certain to witness evidences of extreme misery at wayside stations and in the overcrowded cities, if he was not subjected to serious inconvenience and hardship himself. Possibly no other Mexican chieftain could have handled better than did Carranza the extraordinarily difficult task of restoring law and order in a country which had grown accustomed to anarchy and civil war.

The revolution of last year brought to an end an experiment in self-help from which many friends of Mexico had hoped to date her regeneration. In certain quarters there is a tendency to regard the people of Mexico as incapable of continuing the experiment or reviving it in a form more acceptable to the

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United States; with this pessimistic judgment is usually coupled a more or less candid advocacy of intervention as the necessary means of last resort for the protection of American interests. It is the writer's opinion that could their views be ascertained the majority of the American people would not welcome further military intervention. Military measures against Mexico would be attended with risks of terrorism and of permanent estrangement, as has been demonstrated in Haiti, Nicaragua and Santo Domingo. It is not to be expected that after a century of independence the people of Mexico would supinely submit to hostile invasion; nor would they readily accept any economic or political régime that outsiders might think best for them. They may have failed lamentably to improve their opportunities, but they have given such unequivocal evidence of a desire to help themselves that no intervention should be sanctioned unless it promises to develop still further this spirit of self-help.

It may be asked, what kind of intervention is best suited to this end? First and foremost, a loan adequate to meet Mexico's immediate requirements is sorely needed. Almost every branch of public service and of private industry awaits the revivifying impulse of foreign capital. Unlike Carranza, the present rulers of Mexico seem desirous of negotiating such a loan, as the only alternative to a continuance of economic hardship and civic unrest. Had Carranza displayed a like spirit and a willingness to approach the American government in a conciliatory manner, he might have obtained the means of strengthening his own administration and of bringing it to a less tragic conclusion. Instead, the course which he adopted led quite inevitably to the downfall of his government. In May, 1920, Mexican politicians had recourse to the traditional method of nominating by bullets rather than by ballots a presidential candidate whose selection might later be given the sanction of a formal ballot. One may condemn the methods by which Obregón and his friends put themselves in office, but such methods were no novelty for Mexico, and regardless of the theoretical legitimacy of their title to authority, the members of the successful faction are now responsible for the gov-

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ernment of the country, and through them alone, if at all in the immediate future, may peace and prosperity be established on an enduring basis.

To achieve this end they need a temporary loan. The resources of the country, if properly administered, would be adequate to warrant very large advances of capital; but in view of Mexico's record of repudiation and reckless expenditure, of forced loans and unlawful confiscations, and of bank-deposit seizures, foreign governments and financiers might show a pardonable hesitation when asked to extend aid to a Mexican government. The present administration, it is true, can hardly be held responsible for the above-mentioned irregular financial expedients. In order to obtain loans, however, it must in some measure contribute to the restoration of confidence in its own trustworthiness. Perhaps the most practicable method of effecting this purpose would be the acceptance by the Mexican government of some system of inspection or supervision which would give publicity to their accounts and assure their creditors that the funds were being put to proper use. Such publicity could be secured without undue damage to national interests and without injury to national honor, provided that a fair amount of frankness and tact were exercised by both parties to the transaction. Because the Mexicans are a sensitive people, it would be the course of wisdom to require the fewest possible signs of foreign control and to refrain from exacting special territorial or economic concessions or specific constitutional changes. A loan granted to Mexico on reasonable but generous terms would be profitable merely as an investment, but it would be worth infinitely more as an earnest of more harmonious future relations between the United States and its hitherto distressed and distrustful southern neighbor. On the other hand, by accepting such a temporary loan, those who direct the policy of Mexico would place their government on a firm basis, establish tranquility at home and confidence abroad, and—what is perhaps more to the point—remove pretexts for military intervention.

To discuss the desirability of a government loan to Mexico may possibly seem inopportune at a time when the people of

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the United States are restive under the weight of taxation and dubious about the wisdom or feasibility of collecting the ten billions already loaned to European states. Loans, however, cost less than military campaigns and do not produce the rancor which so often results from "pacific" blockades and kindred quasi-belligerent acts. A loan is probably the most economical of all the measures which have been suggested for dealing with Mexico. If, nevertheless, Congress should prove unwilling to grant a direct loan to the Mexican government, the present administration at Washington could still do much to assist Mexico merely by extending prompt recognition.

The Mexican people have accepted General Obregón as their president, complying with the letter if not the spirit of their constitution. A refusal to recognize Obregón might conceivably lead to his overthrow, because non-recognition by the United States carries considerable weight. It is difficult, however, to see what would be gained by encouraging another violent overturn in Mexico. And even should non-recognition not lead to a new revolution, it certainly would obstruct whatever efforts Obregón might make toward restoring political and economic stability, just as the Wilson administration's delay in recognizing the Acosta government handicapped Costa Rica. Recognition, if accorded, should be full and frank. To insist upon the previous repudiation of Article XXVII of the Mexican Constitution would be to provide the Mexican government with new grounds for hostility and distrust. If, in accordance with the promises of both de la Huerta and Obregón, the provisions of Article XXVII and allied enactments are not to be construed as possessing a retroactive character, there is no serious reason for protest on the part of the United States. Certainly there is no occasion to press the series of demands respecting religious and property rights which Secretary Fall would force on the Mexican government before recognizing it.

Recognition followed by an immediate loan would meet the more urgent though not the more fundamental problems of Mexican finance. There would still remain a previous debt which with its accrued interest is measured by the hundreds of millions, and to this must be added the enormous claims grow-

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ing out of ten years of revolution and brigandage—in all, an indebtedness of a half billion or more. The sum is too great to disregard and affects too many nations. Undoubtedly the country can in time liquidate her obligations. Other governments were too busy during the war to press for settlement, nor are they likely to do so while the present spirit of world unrest prevails. In the process of liquidation the United States will present enormous claims involving the lives and property of its citizens. Because of this definite interest the writer ventures to suggest that in case the ordinary diplomatic agencies fail to effect a settlement, we submit our claims, including those involving concessions in the Tampico oil fields, to an impartial world tribunal. Experiences with similar claims in the days of Jackson and Hayes were not of a nature to inspire confidence in the moderation of claimants or even in our own fairness. England, France, Spain, Germany, Italy and Japan are not better qualified as adjudicators. On the other hand Mexico and the United States, some twenty years ago, had recourse to the arbitration of the Hague Tribunal in the "Pious Fund Case".

Claims and concessions form only two of the factors that imperil friendly relations between the United States and Mexico. The disturbances small or great that periodically arouse our southwestern border have made that area a most unproductive school of Pan-Americanism. The issues growing out of the Panama Canal affair have not always tended to promote mutual respect between ourselves and our southern neighbors; nor while the defense of the Canal rests wholly upon the military and naval prowess of the United States will the intervening nations feel sure that either the powerful northern republic or her possible antagonists will respect their neutrality and territorial integrity. The periodical rumors about the acquisition of footholds in Lower California or on the coasts of Central America and Colombia by the Japanese will be fostered by chauvinistic journals as long as the United States withholds support from a league able to regulate such disturbing questions without arousing the fears of those who dwell in these strategic areas. Indeed, American policy has often been of a

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character well designed to impel Latin-American nations toward friendliness with the rivals of the United States.

It would not be an act of unalloyed altruism were the United States to adopt the policy of extending recognition and temporary loans and referring to arbitration the difficulties which impair friendly relations with Mexico as with other Spanish-American States. A peaceful land is a better customer than a country in perpetual turmoil. American commerce with Mexico and the Caribbean states will vary with their confidence in American integrity and unselfishness. And the same remark may be applied to the prosperity of American investments in these countries.

During the few months of General Obregón's administration he has given the people of Mexico and their well-wishers a larger measure of confidence than any other leader of the past decade. He has maintained reasonable security throughout the country, and at the same time has materially reduced the army without turning the soldiers adrift. He has initiated a program of social legislation that provides for further distribution of land, for a new and better system of public instruction, and for necessary labor legislation, but without unduly truckling to the classes affected. He has promised to restore the bank reserves and deposits confiscated by Carranza, and to establish the fiscal system of the nation on a firm and honest basis. For the first time in ten years the budget shows a balance, a situation that may not wholly please his enemies, but which gives point to his expectation of beginning to pay interest on the public debt. He promises to treat justly all who have legitimate concessions and investments in the country and freely invites foreign capital to coöperate in Mexico's regeneration. Better than all else, his administration stands ready to discuss the troublesome petroleum problem on the basis of mutual rights and privileges. His program is as yet necessarily one of promises, but the initial steps give a reasonable measure of hope to all who wish him success.

Another form in which the United States might advantageously lend aid to Mexico would be by assisting the latter country to meet its educational problems. The untrained and

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unprogressive peon affords a standing proof of Mexico's need in this respect. Intervention in the form of educational assistance would entail no risk of arousing distrust. American capitalists who in better times drew an income from Mexican investments are under a certain obligation to promote the enlightenment of the peon, for they have become, in a sense, responsible for his welfare inasmuch as they are, to a considerable extent, his employers. It is gratifying to note the fact that American capitalists in the past have not been entirely insensible to this responsibility, and that American missionaries have coöperated with Mexican educators in the common task of social betterment.

At this late date no one but an obsessed Prussian would propose to Mexico the recovery of her lost provinces. But the memory of the distressful forties should quicken the spirit of coöperation on both sides of the border: on the part of Mexican leaders it should serve as a warning against provocative actions; and on the part of the United States it should afford a reason for shunning even the appearance of aggression. Helpfulness and intelligent mutual confidence must replace jealousy and indiscriminate recrimination, if American diplomacy is to play an effectively altruistic rôle toward Mexico or American capital to have a function more beneficial than the touch of Midas. Such a policy is virtually indispensable if the Mexicans are to be successful in overcoming their handicap of physical and racial diversity and in lifting themselves above the status of perpetual dependency which it has been their misfortune to experience in the past.

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THE FERROALLOY INDUSTRIES AND TARIFF LEGISLATION

THE transfer of power from one political party to another in the United States is usually accompanied with more or less alteration in tariff policy. For nearly a century the tariff has been a party issue, and during much of this period a leading issue. Thus in accordance with the changed political complexion of the government in Washington, the result of the election of last November, the country is again at the threshold of another revision of tariff schedules.

The situation, however, with regard to foreign trade policy is in several important respects different from what it has ever been in the past. Since the outbreak of the World War in 1914 the United States has been transformed from a debtor into a creditor nation. Its mercantile marine, which before the war exerted a negligible influence on international trade, is now second only to that of the United Kingdom and embraces nearly a third of the world's tonnage. Both of these changes will tend to affect the relative proportions of "visible" exports and imports in the years to come. Furthermore, among the leading commercial countries of the world today the United States is the only one whose monetary basis can be said to be the gold standard.[1]

Another new element in the situation is the fact that during the war a number of domestic industries developed to meet the demand for commodities which had hitherto been supplied in large part by imports from foreign countries. Among these industries, two of the most noteworthy were the preparation of certain chemicals such as dyes and drugs, which hitherto had been imported mainly from Germany, and the manufacture of

[1] Certain nations like Japan, Switzerland, the Scandinavian kingdoms and Argentina, whose trade is less in volume than that of the United States, Great Britain, France etc., are still on a gold basis. The reduced foreign exchange in the case of some of these countries, e. g. Argentina, is attributable to prohibition of exports of gold and not to inflation of the currency.

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certain alloys, which likewise had been largely imported from Germany and England and were used in the making of steel. While the former has attracted greater public attention on account of the direct utilization of its products by the public generally, the latter has more industrial and political significance and reveals many phases of the present tariff problem in a way that few other industries do. The manufacture of the ferroalloys illustrates the various questions which arise in tariff legislation with reference to proper classification, the merits of specific and *ad valorem* rates, the adjustment of compensatory duties, and varying competitive conditions; and all of these are shown in the light of a new world situation.

The ferroalloys are special products consisting mainly of iron and some other chemical element whose use in the manufacture of steel gives the latter certain desirable qualities. The alloying element is generally a metal of much higher value than iron and is usually the principal determinant of the price. Of the other ingredients carbon is frequently the most conspicuous, but in several alloys its reduction to an insignificant percentage of the total composition materially adds to their value.

Among the ferroalloys the most important from the standpoint of tonnage and value are the iron-manganese alloys (spiegeleisen and ferromanganese),[1] ferrosilicon, ferrochrome, ferrotungsten and ferrovanadium. There are, however, several others like ferromolybdenum, ferrotitanium, ferrophosphorus, and certain minor ferroalloys which are produced only for experimental purposes. Over half of the country's tonnage of ferroalloys consists of spiegeleisen and ferromanganese, the use of which is absolutely necessary in the manufacture of Bessemer and open-hearth steel. Ferrosilicon is also very commonly used in steel manufacture, especially in high-grade castings. Both the iron-manganese alloys and ferrosilicon are sold by the

[1] These alloys consist mainly of iron and manganese. Where the manganese content is less than 45 per cent the alloy is called spiegeleisen and where it is 45 per cent and above, it is called ferromanganese. The standard grade of spiegeleisen is 20 per cent manganese and that of ferromanganese, 76 to 80 per cent manganese. The latter alloy is more expensive and now the more commonly used. In the manufacture of "soft" steel, ferromanganese is absolutely essential.

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ton. Ferrochrome, ferrotungsten and ferrovanadium are more expensive and are produced in smaller quantities. They are sold by the pound of contained chromium, tungsten or vanadium, respectively.

The ferroalloys perform one or both of two functions; they act as deoxidizing agents in the manufacture of steel or as alloying agencies. Steel made by the Bessemer or open-hearth process without the use of ferroalloys is practically valueless on account of the existence of "blowholes" or contained oxygen. "Scavengers" are therefore employed to clean the steel while it is still in a molten condition. It has also been found that for most practical purposes iron, like other metals, is of less value in its pure form than in the form of an alloy. Hence, in the manufacture of all steel made by the Bessemer and open-hearth processes[1], the iron-manganese alloys—spiegeleisen and ferromanganese—are employed as deoxidizing and alloying agents, or in other words to clean the steel and add from 0.4 to 0.6 per cent of manganese. Where it is desirable to carry the cleansing process to a more advanced stage than is possible with ferromanganese or spiegeleisen or add other qualities to the steel than those given to it by manganese, other ferroalloys like ferrosilicon, ferrochrome, ferrotungsten or ferrovanadium are employed.

The ferroalloy industries, while not among the largest of our manufacturing industries if measured by amount of capital invested, number of men employed, or quantity and value of output, are of supreme importance to some of the leading branches of production. Steel manufacture on its present large scale absolutely depends upon the use of certain ferroalloys. The efficiency of the automobile, machine tools, and certain electrical appliances is due in large measure to the addition of certain metals to the steel of which these articles are composed, the addition being made possible by the use of ferroalloys.

[1] The great bulk of the steel produced in the world today is made by the Bessemer and open-hearth processes. Thus in the United States there were produced in 1919, 34,671,232 tons (gross) of steel, of which 34,220,256 tons were made by the processes named.—(*Annual Statistical Report of the American Iron and Steel Institute* for 1919, p. 23.)

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The production of steel has increased in amount with the use of ferroalloys and has been largely adapted to specialized uses. Prior to the middle of the nineteenth century, when the Bessemer process of manufacture was introduced, iron while looked upon as a common or "base" metal was consumed in very limited quantities compared with the present. How restricted this use was can be seen by comparing the estimated world's output of iron and steel and the *per capita* production in terms of pig iron for each decennial year from 1820 to 1910 inclusive, and for 1913, the last pre-war year, and 1918, the last year for which world figures are at present obtainable.

TABLE NO. 1

THE WORLD'S PRODUCTION OF IRON AND STEEL IN TERMS OF PIG IRON, 1820–1918

Year.	Population of world.	Production of iron and steel in terms of pig iron.	Per-capita production of pig iron.
	Millions.	Million tons.	Pounds.
1820	780	1.0	2.9
1830	847	1.8	4.8
1840	950	2.7	6.4
1850	1,075	4.7	9.8
1860	1,205	7.2	12.6
1870	1,310	11.9	20.4
1880	1,439	18.0	28.0
1890	1,488	27.2	41.0
1900	1,543	40.4	58.1
1910	1,616	65.8	91.2
1913	1,652	77.8	105.5
1918	1,699	62.0	81.7

During the first two decades of the nineteenth century there was little change in the *per capita* production of pig iron—from 2.8 pounds to 2.9 pounds. From 1820 to 1860 the *per capita* production more than quadrupled and during the last four decades of the century more than quadrupled again. From 1900 to 1913 the world's *per capita* output almost doubled. The decline from 1913 to 1918 was, of course, attributable to the war. If the figures for the total and *per capita* production of pig iron

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were limited to the leading commercial and industrial nations of the world, they would illustrate the development of the iron and steel industry in a still more striking manner. In the United States, for example, the output of pig iron from 1850 to 1918 increased from 563,755 to 39,054,644 long tons, or from a *per capita* production of 54.4 pounds in 1850 to a *per capita* output of 833 pounds in 1918.[1] Thus while the *per capita* production of the world in 1918 was approximately nine times that of 1850, the production of the United States in 1918 was fifteen times that of the earlier year. The increase for this country would be still greater if scrap iron and steel, which to a large extent take the place of pig iron in the open-hearth process of steel manufacture, were added.[2]

While the production and utilization of iron and ordinary carbon steel have shown a remarkable growth in recent times, the manufacture of alloy steels has been characterized by a relatively more rapid development. In the United States the output of alloy steels increased from 567,819 gross tons in 1910 to 1,787,853 gross tons in 1918, or in other words, more than trebled in less than a decade. During the same period the country's output of ordinary carbon steel, irrespective of process of manufacture, increased about 67 per cent. While there was some falling-off in the production of alloy steels in 1919 the output was still nearly three times what it was in 1910 and over seven times the production of 1909.[3]

The military value of alloy steels accounted for part of this growth during the war years. Silicon steel was used in the manufacture of shrapnel bars because on explosion it was breakable into a number of pieces. Chrome steel was employed in the production of armor plate and projectiles because of its hardness and resistance to shock. Tungsten added to carbon steel in percentages ranging from twelve to twenty is

[1] *Statistical Abstract* 1919 and *Annual Statistical Reports of the American Iron and Steel Institute* for the years 1916 to 1919 inclusive.

[2] The percentage of scrap iron and steel used by the open-hearth process is usually about fifty in the eastern United States and over eighty on the Pacific Coast.

[3] *Annual Statistical Report of the American Iron and Steel Institute*, 1919, pp. 24 and 27.

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what makes the much-talked-of "high-speed steel". This steel has the quality of maintaining its temper at red heat, and by so doing increases the efficiency of machine tools from 400 to 700 per cent as compared with the old carbon-steel tools. This increased efficiency was of inestimable value during the late war.

The cessation of hostilities, however, has not seriously reduced the demand for alloy steels. As has been indicated already, alloy steels are being used in larger and larger quantities in the automobile industry, in the manufacture of electrical applicances and in the production of structural material and machine equipment.

The comparatively recent development of the ferroalloy industries accounts for the late mention of their products in the tariff laws of the country. The treatment of the ferroalloys is characteristic of much of our tariff legislation. Spiegeleisen was mentioned for the first time in the Act of 1883 and was then classed with "iron in pigs, iron kentledge" etc. Ferromanganese and ferrosilicon were first mentioned in the law of 1890 and were likewise grouped with "iron in pigs" and given the same rate of duty.[1] Until the Act of 1909 the other ferroalloys and alloying metals were not mentioned, but, by various treasury decisions, were classed either with "iron in pigs" or "metals unwrought". The raw material of ferrochrome—"chromate of iron or chromic ore"—is mentioned in the laws of 1890, 1894 and 1897. In the first act a rate of "15 per centum *ad valorem*" was imposed, and in the last two the ore was placed on the free list.

In the Act of 1909 a special paragraph[2] was devoted to the ferroalloys and alloying metals, with the exception of ferromanganese and spiegeleisen, which continued to be classified with "iron in pigs". This paragraph reads as follows:

> Chrome or chromium metal, ferrochrome or ferrochromium, ferromolybdenum, ferrophosphorus, ferrotitanium, ferrotungsten, ferrovanadium, molybdenum, titanium, tantalum, tungsten, or wolfram

[1] Act of 1890, paragraph 134.

[2] Act of 1909, paragraph 184.

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metal, valued at two hundred dollars per ton or less, twenty-five per centum *ad valorem;* valued at more than two hundred dollars per ton, twenty per centum *ad valorem;* ferrosilicon containing not more than fifteen per centum of silicon, five dollars per ton; ferrosilicon containing more than fifteen per centum of silicon, twenty per centum *ad valorem*.

This paragraph was the first in any of our tariff acts to enumerate the ferroalloys usually produced in electric furnaces and the metals themselves unalloyed with iron. A noteworthy distinction was made between ferrosilicon produced in electric furnaces (ferrosilicon containing more than fifteen per cent silicon) and ferrosilicon manufactured for the most part in blast furnaces (silicon content fifteen per cent or less). This distinction is of great importance, especially when specific rates are imposed.

The Act of 1913 imposed a uniform *ad valorem* rate of fifteen per cent upon all the ferroalloys,[1] except spiegeleisen and ferromanganese, which were classed as heretofore with "iron in pigs" and placed upon the free list.[2] The enumeration of the ferroalloys and alloying metals was the same as in the Act of 1909 except that ferrosilicon was mentioned with the other alloys and given the same *ad valorem* rate of duty. There is also the additional phrase, "and other alloys used in the manufacture of steel, not specially provided for in this section".

The segregation of the iron-manganese alloys from other ferroalloys is not logical, but it illustrates the tenacity of old associations and groupings in tariff legislation. There is no reason why spiegeleisen and ferromanganese should be classed with pig iron other than that they were originally so grouped when first mentioned in our tariff laws and that this classification was based upon the fact that they were made in blast furnaces. In character and function they are entirely distinct from pig iron, and belong to the group of ferroalloys as much as ferrochrome, ferrotungsten or ferrovanadium.

[1] Act of 1913, paragraph 102.

[2] *Ibid.*, paragraph 518.

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In addition to the illogical grouping of the iron manganese alloys with "iron in pigs" instead of with the ferroalloys, there is in the Act of 1913 the uniform *ad valorem* rate of fifteen per cent in the case of the dutiable alloys, irrespective of the competitive position of producers. Thus the manufacturers of ferrovanadium, who supply the bulk of the world's output of that ferroalloy, are afforded the same protection as the producers of ferrotungsten, who are subject to the keenest kind of foreign competition. Blast-furnace ferrosilicon, which is produced more cheaply in the United States than anywhere else in the world, is subject to the same rates of duty as high-grade electric-furnace ferrosilicon, which is manufactured much more cheaply in Canada and Norway than in this country. The purpose of this uniform *ad valorem* rate was not of course to establish a simple horizontal duty from which revenue was to be collected irrespective of any principle of protection, but to afford moderate protection to a group of industries producing commodities which had similar uses and presumably were manufactured under approximately identical competitive conditions.

In foreign countries—notably Germany, France and Sweden —where tariff protection is accorded to domestic producers of ferroalloys, the rates are usually specific. In very few cases are the ferroalloys other than the iron-manganese alloys and ferrosilicon specifically mentioned, and in none are the rates of import duties accurately adjusted to cover the great variation in alloy content and consequently in value. Thus, under the German tariff almost all the ferroalloys at the beginning of the war were dutiable at one mark per 100 kilograms, or about $0.11 per 100 pounds at the then rate of exchange, under the provision relating to "pig iron and non-malleable iron alloys".[1] In the French tariff, which has the most logical classification of ferroalloys found in any tariff system, ferrosilicon with a silicon content of eighty-nine per cent is dutiable at the same specific rate as ferrosilicon with a silicon content of twenty per cent,[2]

[1] Kelly, *Customs Tariffs of the World*, 1918, Tariff No. 777, p. 390. An exception is made in the case of ferrosilicon with a silicon content greater than twenty-five per cent, which is admitted free.

[2] Kelly, *Customs Tariffs of the World*, 1920, Tariff No. 205 b, p. 273.

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notwithstanding the fact that the market value of the former is usually two and a half to four times that of the latter.

Both at home and abroad tariff legislation has proceeded without any careful analysis of competitive conditions, compensatory duties, tariff classification, and the merits of the kind of rates imposed. The problems which demand consideration in connection with these factors are well illustrated by the industries devoted to the manufacture of the ferroalloys and serve to show how complicated is the task of framing a consistent tariff bill.

Foreign competition varies greatly not only among the different ferroalloys but in some cases among different grades of the same alloy. The domestic producer of ferrovanadium experiences no competition from abroad, inasmuch as almost the entire world's output of this alloy is controlled by American interests.[1] Manufacturers of ferrochrome and ferrotungsten, on the other hand, experience intense foreign competition. In the case of the iron-manganese alloys, very little spiegeleisen is imported, but relatively large amounts of ferromanganese. Prior to the outbreak of the war over half the ferromanganese consumed in the United States was imported, and the bulk of the domestic output was produced by the United States Steel Corporation for its own use. Low-grade domestic ferrosilicon —the alloy containing fifteen per cent or less silicon—has met with little or no foreign competition in American markets, while the high-grade alloy has been subject to considerable foreign rivalry.

Aside from the exceptional conditions obtaining in the manufacture of ferrovanadium, the competitive strength of the American producer depends mainly upon the process of manufacture and whether his ores are of domestic or foreign origin. The great bulk of the ferroalloy output of the world is now produced by one of two processes—the blast furnace and the electric furnace methods. A very small percentage of the so-

[1] Vanadium ores are mined in Peru and Colorado. The Peruvian mines are owned by the Vanadium Corporation of America. The Colorado mines, formerly owned by the Primos Chemical Co., were also taken over by this company in December, 1919. Very little vanadium ore is produced in other parts of the world.

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called "carbon-free" ferroalloys[1] is made by the aluminum process, a thermit process in which aluminum is used as a reducing agent. A relatively insignificant and diminishing quantity is still manufactured in crucible furnaces. Practically speaking, however, it can be said that the ferroalloys are manufactured in blast or electric furnaces. Where very high temperatures are necessary the electric furnace is employed and sometimes is used experimentally where the blast furnace is also applicable and more economical.

All the spiegeleisen and most of the ferromanganese are made in blast furnaces. Ferrosilicon containing fifteen per cent or less silicon is also for the most part a blast-furnace product. Where the silicon content rises above fifteen per cent this alloy must be manufactured in the electric furnace. Ferrochrome, ferrotungsten, ferrovanadium, ferrotitanium and nearly all the rarer ferroalloys are electric-furnace products.

With respect to the source of raw material, especially ores, this country is obliged to rely largely upon foreign material. Manganese ores supply the manganese content in spiegeleisen and ferromanganese; chromite, the chromium in ferrochrome; tungsten-bearing ores (of which there are four main varieties), the tungsten in ferrotungsten; and vanadium ores, the vanadium in ferrovanadium. Silicon, the principal constituent of ferrosilicon and the element which gives this ferroalloy its value, is derived from silica which of course is abundant the world over.

Manganese ores of low grade are abundant in the United States, but high-grade ores (ores with a manganese content of forty-eight per cent or more) are very scarce and must be imported.[2] The low-grade ores are well suited to the manufacture

[1] The "carbon-free" ferroalloys are ferrochrome, ferrotungsten, ferrovanadium and ferrotitanium, in which the carbon content has been reduced to an insignificant fraction of one per cent. These alloys when "carbon-free" are much more costly than the same alloys with a larger carbon content. The Electro-Metallurgical Company has perfected a cheaper method for reducing the carbon content than the aluminum process.

[2] Another difficulty with American ores is the high silica content, which results in a heavy furnace loss of manganese. Manganese ores containing less than forty-eight per cent manganese and more than eight per cent silica are subject to penalty in trade.

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of spiegeleisen, but not of ferromanganese. High-grade ores are therefore imported from India and Brazil. Chromite is also scarce in this country and when found has the added disadvantage of a too high iron content. Most of the chromite used in ferroalloy manufacture is imported from New Caledonia and Rhodesia. The deposits of tungsten-bearing ores are tolerably large in the United States, but are generally far below the surface and, therefore, very expensive to mine. American ores, however, are free from the deleterious substances, tin, copper, arsenic etc., often found in the foreign product, but this merit is not sufficient to overcome the handicap of high cost. Almost all the tungsten-bearing ores now used in this country in the manufacture of tungsten metal and ferrotungsten are imported—mainly from China. Vanadium ores are found in Colorado, but the domestic supply furnishes only a small part of the home consumption. All the imported material comes from Peru where the mines, as already stated, are owned by American interests.[1]

How far the processes of production and origin of raw material affect the competitive situation of American and foreign producers depends in large measure upon the relative importance of ore and conversion costs. Where the electric furnace is employed and the price of hydro-electric power constitutes a large per cent of the total cost, the countries having cheap water power will have an advantage over those in which the price of electric power is high. In blast-furnace operation the price of coke is a determining factor. In the case of most of the ferroalloys the price of ore is a large item in the total expense, and when the ore is imported the competitive position of the American producer is generally dependent upon such factors as comparative ocean freights to this and competing countries and conditions with reference to foreign exchange. How this position varies with the kind and grade of ferroalloys produced may be indicated by comparing the items entering into their cost of manufacture.

The following table gives the average furnace costs of manu-

[1] Moody, *Manual of Railroads and Corporation Securities*, 1920, pp. 1934-5.

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facturing the standard grades of spiegeleisen and ferromanganese as reported to the Tariff Commission by several representative companies on copies of their own cost sheets, for the year ending September 30, 1919.[1] The total quantity of spiegeleisen covered by these cost reports was 35,389 gross tons; and of ferromanganese, 83,375 gross tons.

TABLE NO. 2

AVERAGE FURNACE COST PER GROSS TON OF PRODUCING SPIEGELEISEN (16 TO 22 PER CENT MANGANESE) AND FERROMANGANESE (70 TO 80 PER CENT MANGANESE) IN BLAST FURNACES IN THE YEAR ENDING SEPTEMBER 30, 1919

	Spiegeleisen.		Ferromanganese.	
	Average cost per gross ton.	Per cent of total cost.	Average cost per gross ton.	Per cent of total cost.
Raw material.	$25.34	41.7	$116.05	72.7
Fuel.	18.62	30.7	22.05	13.8
Labor.	3.77	6.2	6.13	3.8
Supplies and tools. . .	.86	1.4	1.50	.9
Repairs and maintenance.	3.75	6.2	6.02	3.8
Manufacturing overhead .	8.37	13.8	7.92	5.0
Total furnace costs. .	$60.71	100.0	$159.67	100.0

It will be observed that the cost of raw materials constituted nearly seventy-three per cent of the total costs in the case of ferromanganese, but only a little over forty per cent in the case of spiegeleisen. The price paid for manganese or manganiferous ores represented over eighty-nine per cent of the bill for raw materials in the case of spiegeleisen and over ninety-seven per cent in the case of ferromanganese. While the cost of fuel was more in the production of ferromanganese than in that of spiegeleisen, it constituted less than fourteen per cent of the total expense in the case of the former and over thirty per cent in the case of the latter.

[1] *Tariff Information Survey on Articles in Paragraph 102 of the Tariff Act of 1913 and Related Articles in other Paragraphs,* pp. 63 and 64.

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It will be seen that the prices of manganese ores form an important part of the total expense in the case of both the iron-manganese alloys. Spiegeleisen, however, is made from domestic ores, the supply of which is abundant and cheap. Producers of ferromanganese, on the other hand, are obliged to rely for the most part upon foreign material, and as the cost of ores constitutes over seventy per cent[1] of the total expense of manufacture, it can readily be seen that the competitive position of the American producer is vitally connected with the relative costs of securing these ores in the United States and in competing countries.

The situation with reference to the manufacture of blast-furnace ferrosilicon (fifteen per cent silicon or less) is similar to that of spiegeleisen, but the conditions regarding the higher grades of this ferroalloy are widely different. Ferrosilicon containing more than fifteen per cent silicon is an electric-furnace product, and the price of power is an important item in the total expense—the importance increasing as the grade rises. Cost data secured by the Tariff Commission with respect to the production of standard-grade ferrosilicon, fifty to sixty per cent silicon content, and the seventy to seventy-five per cent grades, for the year ending September 30, 1919, show the results indicated in the table on the following page.[2]

The raw material consists of silicon rock, coke (used as a reducing agent) and scrap steel, the last of which is the most costly of the three. The price of electric power is a large element in the cost of manufacturing all grades of electric-furnace ferrosilicon, and particularly the higher grades. It is for this reason that the plants of any importance producing this ferro-alloy in the United States are almost all located at Niagara Falls, N. Y., where hydro-electric power on a large scale is

[1] In the fall of 1920 the prices of manganese ores declined greatly and later figures than those compiled by the Tariff Commission would show a smaller proportion of the total cost represented by manganese ores. The percentage, however, would still be high.

[2] *Tariff Information Surveys on Paragraph 102,* p. 86. The table shows averages based on the reports of leading manufacturers for the period from October, 1918, to September, 1919.

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furnished at lower rates than in any other part of the country. The labor bill is a considerable item, though subordinate to the price of power. The latter is the most important single factor

TABLE NO. 3

COST OF PRODUCING FERROSILICON

	50 to 60 per cent grades.		70 to 75 per cent grades.	
	Average cost per gross ton.	Per cent of total cost.	Average cost per gross ton.	Per cent of total cost.
Raw material.	$28.14	29.5	$27.07	14.0
Power.	25.05	26.2	73.51	37.9
Labor.	16.73	17.5	38.25	19.7
Supplies and tools.	2.18	2.3	2.72	1.4
Electrodes	4.79	5.0	28.51	14.7
Repairs and maintenance. . .	6.83	7.2	12.78	6.6
Manufacturing overhead . . .	11.82	12.3	10.92	5.7
Total	$95.54	100.0	$193.76	100.00
Amount produced. . .	50,718 gross tons.		886 gross tons.	

in determining the competitive strength of the American producer.

The conditions with reference to the manufacture of ferrochrome resemble in part those of ferromanganese and in part those of electric-furnace ferrosilicon. The ore furnishing the chromium content of this ferroalloy is imported and forms the largest single item in the expense of manufacture. The next most important item is the expense of electric power. The cost figures for the most commonly used grades of ferrochrome [1] during the year 1919 were as follows:[2]

[1] Over 60 per cent chromium content and 4 to 8 per cent carbon.

[2] *Tariff Information Surveys on Paragraph 102*, p. 104.

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TABLE NO. 4

COST PER TON OF PRODUCING FERROCHROME IN ELECTRIC FURNACES IN THE UNITED STATES DURING 1919[1]

Item.	Cost per ton of ferrochrome produced.	Per cent of total cost.
Raw material	$117.24	42.7
Electric power	40.30	14 7
Labor	34.14	12.4
Supplies and tools	5.18	1.9
Electrodes	20.58	7.5
Repairs and maintenance	25.18	9.1
Manufacturing overhead	32.08	11.7
Total	$274.70	100.0

In the above tabulation raw material constituted about forty-three per cent of the total cost and electric power about fifteen per cent. The item of raw material averaged $117.24 per ton, of which the price of chromite at the plants of producers amounted to $104.76, or about forty per cent of the total manufacturing cost. While the cost of electric power constitutes a smaller percentage of the total expense of manufacture than in the cases of standard and higher grades of electric-furnace ferrosilicon, it is large enough to influence producers to locate at points where hydro-electric power is comparatively cheap. The two largest producers of ferrochrome have plants at Niagara Falls, N. Y.

Ferrotungsten is a high-priced ferroalloy, its value being due to the high price or scarcity of the ore. Cost figures obtained by the United States Tariff Commission concerning its cost of production in 1919 show that during that year about eighty per cent of the total expense of manufacture was due to the price

[1] The cost figures here given are arithmetical averages of five reporting companies, i. e. averages on the basis of company costs irrespective of the amount of ferrochrome produced. The reason for using this basis is that the great bulk of the ferrochrome produced in 1919 represented the output of one company and hence averages based upon the quantity manufactured would approximate too closely those of the principal producer and hence reveal his expenses of production.

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of tungsten metal in the ore or concentrate.[1] In 1917 when the price of ferrotungsten was more than double that of 1919 the cost of ore constituted over two-thirds of the selling-value of the ferroalloy. At that time the average price of tungsten-bearing ores in this country was $21.67 per unit[2] of 60 per cent WO_3 in tons of 2,000 pounds. As the conversion factor from tungstic acid to tungsten metal, i. e. from WO_3 to W (tungsten) is 79.3, the cost per pound of metallic tungsten in the concentrate was $1.374. As the average basis for recovery of the metal in the electric furnace is about eighty-five per cent, the cost of the concentrate per pound of tungsten in the ferro-alloy was $1.616. The quoted price of ferrotungsten during the year 1917 averaged $2.30 per pound of contained tungsten.[3] Hence the ore out of which ferrotungsten was manufactured constituted about seventy per cent of its quoted selling price in a year when the margin between the value of raw material and quoted prices was exceptionally large.

In short, it is evident that the competitive strength of American producers of ferrotungsten and ferromanganese depends almost entirely on the cheapness and availability of the requisite ores. On the other hand, the cheapness of electric power is the vital factor to be considered in the competitive production of electric-furnace ferrosilicon. Both the price of ore and the cost of electric power condition the success of the ferrochrome industry. Quite different is the case of spiegeleisen and blast-furnace ferrosilicon, the raw materials of which are produced in this country and may be converted into the alloys more cheaply here than abroad. Finally, ferrovanadium is in a class by itself, since the output of vanadium is virtually monopolized by an American company.

Ferromanganese has sold at lower prices in England than in the United States. A comparison of the annual averages of

[1] *Tariff Information Surveys on Paragraph 102,* p. 120.

[2] Ores are often quoted by the unit, or one per cent of the ton. The unit is then 20 or 22.4 pounds depending upon the ton measure used.

[3] *Tariff Information Surveys on Paragraph 102,* p. 117, and *Chemical and Metallurgical Engineering* for 1917.

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British and American prices of standard-grade ferromanganese for the years 1913 to 1920, inclusive, shows the following situation: [1]

TABLE NO. 5

COMPARISON OF BRITISH AND AMERICAN PRICES OF FERROMANGANESE
(70 TO 80 PER CENT MANGANESE)
1913–1920

	British prices per gross ton at current rates of exchange.[2]		American prices per gross ton.
	Home.	Export.[3]	
1913	$57.75	$52.21	$57.87
1914	48.44	40.44	55.80
1915	86.43	*	92.21
1916	116.50	164.55	164.12
1917	118.89	274 95	309.17
1918	120.00	260.71	250.00
1919	94.09	102.36	137.24
1920	127.68	149.45	187.50

* Prices vary with destination in 1915.

Except during the year 1918, when American prices were adjusted under government supervision, English export prices were lower than the prices prevailing in the United States, most of the time materially lower. The difference was not due to any technical superiority of the British over the American manufacturer. Neither was it attributable to lower labor costs or cheaper coke. The English blast furnace uses more coke in proportion to its product than does the American; moreover, coke in recent years has been cheaper in the United States than

[1] American prices averaged from monthly quotations in *Chemical and Metallurgical Engineering and Metal Statistics,* 1920, published by American Metal Market of New York, and British prices averaged from weekly quotations of the *Iron and Coal Trades Review* (London).

[2] American equivalents for British quotations are on the basis of the normal rates of exchange for 1913 to 1915, inclusive, and on the basis of the reports of the Comptroller of the Currency for 1916 to 1918, inclusive, and quotations in *Annalist* for 1919 and 1920.

[3] Prices in England were controlled by the government during the war period. Exports were regulated by a system of rebates in order to prevent manufacturers from selling their product in too great quantities abroad.

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in Great Britain. The cost of converting manganese ore and pig iron or scrap into ferromanganese is lower here than in England. The lower production expense is attributable only to cheaper ore.

Nearly all the manganese ore used in Great Britain is obtained from India. Prior to 1914 ocean freights to England were much lower than to the United States and even lower than from Brazil to the United States. Much of the ore went from India to England as ballast. The pre-war freight rate on Indian ore shipped to England was about 5s. ($1.22) per ton as against $4.32 per ton when shipped to the United States.[1] In the United States there was the added expense of rail freight from the Atlantic Coast to smelting works located from 200 to 900 miles from the coast, whereas the British furnaces are situated within 40 miles of the coast.

In 1920 ocean freights were fluctuating but averaged much higher than in the pre-war period. Manganese ores shipped from India to the Atlantic seaboard of the United States went on an average rate of about $15 per ton, while to England the rate ranged from £3 to £4, which at an exchange rate of $3.50 to the pound sterling would be equivalent to $10.50 to $14.00. Brazilian ore was shipped to the United States at $8 to $12 per ton.[2] Owing to the higher initial cost of mining this ore in Brazil and transporting it to the coast by rail and paying the provincial export taxes,[3] its price at the Atlantic seaboard of the United States was about as high as Indian ore, while its manganese content averaged less.

In the case of tungsten-bearing ores shipped from China, freight rates to the United States and to England do not seem to differ materially. Nevertheless tungsten concentrate since the war has been selling in England at materially lower prices than in the United States, the difference ranging from $1.50 to $2.50 per unit of long ton. Late in 1919, for example, one of

[1] *Tariff Information Surveys on Paragraph 102,* p. 65.

[2] *Ibid.,* p. 66.

[3] Export taxes in Brazil on manganese ores are levied by the provincial and not by the federal government.

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the large English steel corporations was reported to have secured 1,500 tons of tungsten ore, c. i. f., Liverpool, at about 30s. a unit, which at the rate of exchange prevailing at that time would be approximately $5.85 per unit, or nearly $2.00 below the price quoted at the same time in New York.[1]

Comparing this difference in the prices at Liverpool and New York with a similar difference in the British and American prices of Indian manganese ores, we shall find a variation which cannot be attributed to ocean freight rates. As already noted the ocean freights on manganese ores shipped from India to the United States averaged higher in 1920 than similar shipments to England, but the difference was relatively less than before the war. At the beginning of 1920 the price of high-grade manganese ore (48 to 50 per cent manganese) was quoted at $.80 to $.85 per unit, delivered at Baltimore and New York. In England at the same time the price was approximately 3s. 2d. At the normal rate of exchange this would be equivalent to $.77 per unit, from $.03 to $.08 per unit less than at our Atlantic seaboard, or about the difference in the ocean freight on Indian manganese ores to England and the United States. Owing to the greatly reduced rate of exchange on the pound sterling the actual difference in price was much greater. The exchange rate in December, 1919, averaged $3.86, and in January, 1920, was falling rapidly, reaching its lowest point in February when the pound sterling was quoted at $3.18. Taking $3.70, however, as the exchange value of the pound sterling about the middle of January, the English price of manganese ore was approximately $.60 per unit as against $.80 to $.85 per unit in the United States.

During the latter half of 1919 and the greater part of 1920 the prices of manganese and tungsten-bearing ores exhibited similar differences in American and English markets. These differences could not be accounted for by any corresponding variations in ocean freights or banking charges. The differences roughly correspond to the difference between the normal and current rates of exchange on the pound sterling. The

[1] *Engineering and Mining Journal*, January 3, 1920, p. 6.

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prices of these ores were quoted the same plus ocean freights to both English and American buyers, but on the basis of the old normal rates of exchange. As the English pound has ceased to be worth $4.8665 in international trade, the British ferroalloy producers obtained their manganese and tungsten ores at lower prices than their American competitors, by virtue of a depreciated currency.[1]

It is of course true that the American manufacturer could purchase English exchange, but the fact remains that, for a long time at least, he did not do so. His reluctance was due partly to the marked fluctuations in the rates of exchange with consequent speculative risks, and partly to certain handicaps in establishment of trading relations.[2] The reduced rates of foreign exchange and the slowness with which prices were adjusted to the new monetary situation in which the world found itself after the great war, have thus served for a time to favor foreign manufacturers in securing raw materials at relatively low prices, measured in terms of gold.

A somewhat similar situation exists with reference to chromite, the raw material in ferrochrome. Most of the imported ferrochrome comes from France, but considerable amounts are made in Norway and England. The quoted ocean freight rates on chromite from New Caledonia and Rhodesia to the Atlantic coast of the United States and northwestern Europe are approximately the same. Much chromite, however, goes as ballast from Rhodesia to northwestern Europe at rates much lower than the quoted ones.[3] Both in the pre-war period and

[1] Charles Hardy in *Engineering and Mining Journal*, January 3, 1920, p. 6. There has been a good deal of nonsense in much of the recent discussion concerning the effect of foreign exchange on trade relations. See *Hearings before Committee on Ways and Means*, House of Representatives, Dec. 9, 10, 14 and 16, 1920. It is, however, a factor which in a period of readjustment is worthy of consideration.

[2] *Engineering and Mining Journal*, January 3, 1920, pp. 5 and 6.

[3] The character and amount of the freight carried by ocean vessels are very important factors in the determination of rates. Where freight either constitutes a return cargo or is of such a character (i. e. heavy and not injured by being wet) that it can be used as ballast, it is often shipped at low or nominal rates. In the pre-war period, almost all the manganese ores shipped from India to

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since the signing of the armistice, chromite and ferrochrome have been quoted at lower prices in Norway and France than in the United States. Partly as a result of the lower prices for ore and partly on account of cheaper water power in these European countries, ferrochrome has been selling at much lower prices than in the United States. Even in England, where prices are higher than on the Continent, the quotations on ferrochrome (sixty per cent chromium and six to eight per cent carbon) for the year 1920 averaged at the Sheffield Steel Works about 11½ cents per pound of contained chromium against 19 cents in the United States.[1] It is likely that the exchange situation has also affected the price of chromite in much the same way that it has the prices of manganese and tungsten ores, but evidence on this point is not so clear. The fact that so much chromite goes to Europe as ballast obscures this phase of the situation.

Electric-furnace ferrosilicon presents no problem with reference to raw material, although Canada, which furnishes the United States with the bulk of its imported ferrosilicon, gets the steel scrap used in the manufacture of the alloy cheaper than does this country. The reason for this is that the consumption is greater than the production of steel in Canada. Hence there is an abundance of old material which is not so readily marketed for remanufacture in open-hearth furnaces as in the United States. This difference, however, is not serious and does not greatly affect the American producers' competitive position. Nevertheless the higher grades of ferrosilicon are manufactured more cheaply in Canada than in this country. Canada's cheaper production is almost entirely due to the low price paid for electric power.

England went as ballast. The character of our foreign trade has not favored the importation of the ores as ballast or return cargoes. In the future, conditions may be more favorable.

[1] Figures from *Chemical and Metallurgical Engineering* for United States and the *Iron and Coal Trades Review* (London) for England. The British quotations are given by the long ton. Reduction of British currency to American equivalents is on the basis of the weekly exchange quotations in the *Annalist*.

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At Niagara Falls, N. Y., the prevailing rate for hydro-electric power employed for furnace or manufacturing purposes is $20 per horse-power year, or $0.00306 per kilowatt hour. This rate may be compared with similar charges for power in Canada as follows:[1]

TABLE NO. 6

COMPARISON OF CANADIAN AND AMERICAN RATES FOR HYDRO-ELECTRIC POWER

	Per horse-power year.	Per kilowatt hour.
Niagara Falls, N. Y.	$20.00	$0.00306
Toronto, Ontario	14.50	.00222
Welland, Ontario	14.00	.00214[2]
Ottawa, Ontario	14.00	.00214
Hamilton, Ontario	14.00	.00214

At Shawinigan Falls, Quebec, rates for power advertised or offered to ferroalloy manufacturers range as low as $11.00 per horse-power year ($0.0016 per kilowatt hour). Rates for hydro-electric power in Europe are less susceptible of comparison on account of the demoralized monetary conditions prevailing over the greater part of the Continent. In Norway one American company, according to a contract entered into in 1913, pays a rate of $7.40 per horse-power year, or about $0.0011 per kilowatt hour. Rates only a little higher have prevailed in France.[3]

Though well endowed with water-power resources, the United States is handicapped, as compared with Canada, Norway, Sweden and France, by the lack of a common combination of high heads with steady flow of water. In most parts of the country contracts for the use of hydro-electric power provide for seasons of drought when steam-generated energy is supplied. Seasonal changes operate to keep the price high in this country.

[1] *Report of Hydro-electrical Power Commission of Ontario,* vol. 2, pp. 192-199.

[2] The leading manufacturer of ferrosilicon in Canada and the largest producer in the world, whose plant is located at Welland, pays $12.75 per horse-power year, or $0.00195 per kilowatt hour.

[3] *Tariff Information Surveys on Paragraph 102,* p. 159.

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The greater cost of hydro-electric power thus tends to increase materially the expense of manufacturing the higher grades of ferrosilicon in the United States as compared with competing countries. In a similar way, though to a less extent, the conversion cost of ferrochrome is made higher in this country than in such lands as Norway and France. Taken in connection with cheaper ore (chromite) the active foreign competition in this branch of ferroalloy manufacture is easily explained.

The competitive situation with reference to the ferroalloys above discussed may be shown graphically as follows:

TABLE NO. 7

COMPETITIVE POSITION OF THE FERROALLOY INDUSTRIES

	Source of raw material.	Method of manufacture.	Degree of foreign competition.	Handicaps of American producer.
Iron-manganese alloys:				
Spiegeleisen.	Domestic	Blast furnace	Negligible	None
Ferromanganese . .	Foreign	Blast furnace	Active	Relatively high prices for ores
Ferrosilicon:				
Blast furnace (8 to 15 per cent Si.). . .	Domestic	Blast furnace	Negligible	None
Electric furnace (above 15 per cent Si.) .	Domestic	Electric furnace	Very active	Relatively high prices for power
Ferrochrome	Foreign	Electric furnace	Very active	Relatively high prices for ore and power
Ferrotungsten	Foreign	Electric furnace	Very active	High price for ore
Ferrovanadium. . . .	Foreign	Electric furnace	None	None, due to American control of raw material

The question how far the competitive situation in any industry or group of industries should affect tariff policy is to a large extent a political issue, with which this paper is not concerned. Competitive conditions, with the factors entering into them, are simply indicated. A free-trade policy may be adopted with the law of comparative costs determining in what countries certain industries shall arise and flourish. Or a pro-

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tective-tariff policy may be pursued as a regular principle or on the ground that the industries are comparatively new with possibilities for the future or on the plea of military and political expediency. In any case a presentation of the competitive situation is necessary to show the probable industrial effect of any tariff program.

The problem of compensatory duties is one of considerable importance in tariff legislation and one of the most difficult to solve. The ignoring of this problem in certain instances has resulted in industrial tragedies. An import duty on a raw or crude product without corresponding rates on its more highly finished forms may be more destructive than protective. But what are corresponding or compensatory rates? This question is not always easy to answer, and in the case of ores and their products, often very difficult. In passing from one stage of production to another, there is usually some loss of material. In some stages of manufacture these losses are definitely known. In the case of the ferroalloys and alloy steels such is not the case. Losses vary with the chemical and physical character of the ore, the process of manufacture, the grade of product, and often the skill of the workmen.

A good illustration showing the variation in metallic recovery or loss is the case of ferrochrome and chrome steel. In the manufacture of ferrochrome from chromite the recovery of metal ranges from about forty-five per cent to ninety per cent. Where American ores are used and the ferroalloy manufactured has a carbon content of two to eight per cent, the loss of chromium ranges from twenty to twenty-five per cent (recovery seventy-five to eighty per cent). If New Caledonian ore is used with its higher chromium and smaller iron content, the loss is reduced to only ten per cent. If, however, the carbon content is reduced to one per cent and the electric furnace process is still employed, as is usually the case, the loss is increased to fifty or fifty-five per cent. Using the highly expensive aluminum process, with its elimination of practically all the carbon, metallic loss is again reduced to only twenty per cent.[1]

[1] *Tariff Information Surveys on Paragraph 102*, p. 97.

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These figures are averages in good practice and form the bases for estimating compensatory duties where the ores themselves are dutiable. Under the Act of 1913 none of the ores used in ferroalloy manufacture is subject to duty, but during the last two years bills have been introduced in Congress imposing tariff rates on chromite, manganese ores and on tungsten-bearing ores. From what has been stated the problem of fixing proper compensatory rates on the ferroalloys, if such bills pass, is seen to be a highly complicated one.

In the same way tariff adjustments are necessary on alloy steels where duties are imposed on the ferroalloys or alloying metals. Taking the case of chrome steel, the loss of chromium from ferro to steel varies considerably. Most chrome steel is made in open-hearth furnaces where the metallic loss in good practice ranges on the average from fifteen to twenty per cent. If, however, the electric furnace is employed the loss is practically nothing.

The metallic recoveries from ore to ferro and from ferro to alloy steel, averaged roughly from a large number of instances in good practice for the principal ferroalloys, are as follows: [1]

TABLE NO. 8

PERCENTAGES OF METAL RECOVERED IN FERROALLOY PROCESSES

	Metallic recovery from ore to alloy.	Metallic recovery from alloy to alloy steel.
Spiegeleisen	80–85 per cent	75–80 per cent
Ferromanganese	80–85 per cent	75–80 per cent
Ferrosilicon	80–85 per cent	75 per cent
Ferrochrome:		
2–8 per cent carbon	88–90 per cent	
Less than 2 per cent carbon (electric furnace)	45–70 per cent	85–100 per cent
Carbon-free (aluminum process)	80 per cent	
Ferrotungsten:		
Carbon content 1 per cent or less. (electric furnace)	85 per cent	78 per cent
Carbon-free (Aluminum process)	80 per cent	80 per cent
Ferrovanadium:		
Electric-furnace process	75 per cent	75 per cent
Carbon-free (Aluminum process)	80 per cent or over	

[1] *Tariff Information Surveys on Paragraph 102,* p. 160.

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The extreme range of recovery is considerably greater than the figures shown above would indicate, and it would average lower if concerns using only low-grade ores and comparatively inexperienced labor were included. The figures also include recoveries of material wasted in one operation, but utilized in a later one. From what is shown a very tangible tariff problem is presented which is by no means simple and yet must be met, as long as our foreign trade is regulated by tariffs.

The kind of rates used—specific or *ad valorem*—occasionally offers problems which the legislator does not always anticipate when he begins to frame a tariff bill. An *ad valorem* rate imposed upon a class of articles varying greatly in value has the merit of adjusting itself to this variation, assuming proper administration and reliable sources of information with regard to prices in the primary markets of the foreign producing countries. As has been pointed out by many writers, the process of valuing imported commodities is generally expensive, and in large numbers of cases, difficult, if not impossible.

Aside, however, from expense and the difficulty of ascertaining foreign prices, the modern tendency for certain industries to locate in regions and countries where the home market is very limited and foreign markets take the bulk of the product, presents a problem which must also be faced. The nature of the problem may be illustrated by the case of Canadian ferrosilicon. Canada is a large producer of this ferroalloy, but a small consumer. Only about 3,000 or 4,000 tons out of an annual output of over 50,000 tons are consumed at home. Much of this product is now sold in the United States, although during the war Canada exported a considerable amount to England. During the years 1916 to 1918, inclusive, the value per ton at furnace of imported ferrosilicon from Canada was much lower than that of ferrosilicon from other countries, and much below the quoted prices of the American product.[1] While import figures tabulated by the Bureau of Foreign and Domestic Commerce do not show the grades of the imported alloy, figures obtained by the United States Tariff Commission show

[1] *Tariff Information Surveys on Paragraph 102*, p. 85.

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that the grades of the Canadian product did not average below those from other countries.

In order to test how far the home price on which valuations for the imported Canadian product were based was below the export price, certain loads of imported ferrosilicon were selected at random for the years 1917 and 1918 with prices at destination and the deductions made by importers. The results were as follows:

TABLE NO. 9

PRICES OF CERTAIN LOTS OF CANADIAN FERROSILICON SHIPPED TO THE UNITED STATES, 1917 AND 1918

	Price per gross ton, f. o. b. destination.	Scale[1] (over or under).	Deductions made by importer per gross ton.
1917	$99 00	$1.95	$22.00
	100.00	2.00	23.00
	93.00	1.65	6.00
	91.00	1.65	14.00
	250.00	5.00	148.19
	99.00	1.95	8.85
	225.00	4.50	133.11
	99.00	1.95	9.03
1918	99.00	1.95	8.72
	99.00	1.95	9.15
	130.00	2 60	9 60
	130.00	2.60	9.42

In the above tabulation the deductions from the prices at destination show the values on which import duties were collected.[2] As practically all the ferrosilicon was shipped short distances—much of it from Welland, Ontario, to Buffalo and Pittsburgh—the transportation cost forms only a small fraction of the deductions made. According to the testimony of a customs official at Buffalo these deductions usually amount to

[1] These figures indicate the amounts which may be added to or deducted from the prices given to allow for difference between the grade of ferrosilicon indicated on the invoices and the grade actually shipped.

[2] It will, of course, be remembered that all *ad valorem* duties in the United States are collected on the basis of the prices prevailing at the time of shipment in the primary markets of the country from which the imported articles are shipped.

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between twenty and forty per cent of the prices in this country. The result is that the *ad valorem* rate of fifteen per cent on the Canadian home price averages about 11.25 per cent on the basis of American selling prices.

Where there is a wide difference in the prices of the same article in two countries in such close proximity as Canada and the United States, the price variation will tend to be reduced by exports from one to the other until it amounts to approximately the cost of transportation and the tariff duty. Where, however, the exporting nation consumes only a small fraction of its output and exports much of it to a country imposing an *ad valorem* rate of duty based upon prices in the producing region, home prices will tend to be artificially low.[1] In other words, producers will soon find it to their interest to keep home prices low, in order that tariff rates on their products in their great foreign markets may be reduced.

With the exception of electric-furnace ferrosilicon, the price of which is kept artificially low in Canada and the duties on which are consequently subnormal, the ferroalloys lend themselves more readily to *ad valorem* than to specific tariff rates, because the value of ferroalloys is subject to very wide variation according as the content of the alloy and of carbon may be larger or smaller. In this respect, and also in respect of compensatory duties, all the ferroalloys except ferrosilicon might be regarded as presenting similar problems to the tariff-framer. To over-emphasize this similarity, however, would be most misleading. As has already been pointed out, the competitive position of American ferroalloy manufacturers varies greatly with the kind and grade of ferroalloy produced. It would be difficult indeed to find a better illustration of the necessity of a careful analysis of each group of articles subject to tariff regulation, especially if protective measures are contemplated.

Because of their crucial industrial and military significance, the ferroalloys constitute one of the items around which tariff

[1] There are several other instances besides the case of ferrosilicon where prices in the home markets of the exporting countries are to all appearances artificially low.

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controversy is most intense, despite the fact that they represent only a very small fraction of the commodities subject to tariff legislation. As long as foreign commerce is viewed from the standpoint of national units, the question of encouraging or safeguarding home producers will arise from time to time, especially in the case of new industrial growths. The significance of this class of products in relation to several of our leading branches of manufacture gives it a special claim to tariff consideration if such claims are admitted for other classes.

The question how far the restriction of imports by tariff legislation will affect international trade is of interest to the ferroalloy industries as one among many groups. In the year ending June 30, 1920, our total imports of merchandise amounted, in round numbers, to $5,238,000,000.[1] Forty groups of commodities account for eighty-eight per cent of these imports. When it is remembered that in the summer of 1914 our country was indebted abroad to the extent of probably $5,000,000,000 and that at the close of 1920 other nations were indebted to us to the amount of at least $12,000,000,000, another phase of the tariff problem in its more general aspect presents itself. Having arrived at the status of the leading creditor country of the world and being ambitious to build up and maintain an extensive merchant marine, we are face to face with the question of how to regulate imports so that the credit obligations resulting from these conditions can be met. If the tariff is to be revised along protective lines, as seems probable, will the protective principle be selective in operation, allowing these obligations to be paid, as in large part they must be, by imported material? If so, how will the favored industries be selected? We have here a situation that will make the tariff act of 1921 one of the most interesting and significant in the history of our foreign trade policy.

ABRAHAM BERGLUND.

WASHINGTON, D. C.

[1] Monthly Summary of Foreign Commerce, June, 1920.

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BRITISH IMPERIAL FEDERATION

A MEETING of the prime ministers of the British Empire is to be held in London in June. This is not the Imperial Constitutional Convention proposed by the War Conference of 1917,[1] but the advocates of Federation hope that it will take the preliminary steps necessary to bring about such a meeting not later than the summer of 1922.

The object of the Federation movement is to bring about a closer coöperation in purely imperial matters between the United Kingdom, the Dominions and India without sacrificing the principles of democracy or encroaching unduly upon the field of local autonomy. In this paper we shall endeavor first to state the problem and analyze the various constitutional theories that have been offered for its solution; secondly, to trace the history of Imperial Federation; and, thirdly, to consider the Imperial Conference, the Committee of Imperial Defence and the Imperial War Cabinet as steps already taken to crystalize theory into concrete governmental institutions.

I

When Lord Durham made his famous report on Canada and the Maritime Provinces in 1839, the British colonial system was based upon the principles of the eighteenth century. The colonists were denied responsible government and their trade was regulated, in the main, according to the old Mercantilist theories of political economy. Through the efforts of Lord Durham, Edward Gibbon Wakefield, John Bright, Richard Cobden and others, these conditions were soon changed. In the decades between 1840 and 1860, responsible government

[1] "The Imperial War Conference are of opinion that the readjustment of the constitutional relations of the component parts of the Empire is too important and intricate a subject to be dealt with during the War, and that it should form the subject of a special Imperial Conference to be summoned as soon as possible after the cessation of hostilities." The first paragraph, Resolution IX, Imperial War Conference of 1917. Cd. 8566.

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was granted to all of the colonies that were fitted to receive it and the last remnants of the old restrictions upon the freedom of colonial trade were removed by the repeal of the Corn Laws and Navigation Acts. It was generally believed at the time that this would result in independence and separation. Sir Henry Taylor spoke of the Canadian provinces as "a sort of *damnosa hereditas*" and Sir Robert Peel suggested "a friendly separation while there is yet time." The spirit of pessimism was shared even by Disraeli. In a letter to Lord Malmesbury in 1852, he said that "these wretched colonies will all be independent in a few years, and are a millstone around our necks." As a matter of fact, although the separatist tendencies have been very marked so far as the constitutional relations are concerned, the sentimental bonds of union have steadily grown stronger. The old feeling of allegiance to England as the mother country has, to be sure, tended to disappear, but it has been amply replaced by the development of a broader conception of loyalty to the Empire as a whole.

In the original grant of self-government to the colonies there were six important reservations, either expressed or implied: the making and amending of colonial constitutions and control over public lands, immigration, commerce, the higher judiciary and foreign policy. All of these powers had in considerable measure been transferred to the colonies by 1914. Whatever the theory may have been, all of the Dominions made and amended their own constitutions and disposed of their public lands. All of them excluded East-Indian immigrants notwithstanding the fact that India is a part of the same Empire. All of them regulated their own tariff policies even to the extent of taxing imports from the United Kingdom. Canada was permitted in 1911 to decide for herself the issue of reciprocity with the United States. The Judicial Committee of the Privy Council still remained the supreme court of appeal for the colonies, but its membership was considerably modified through the addition of colonial jurists.

These problems are all more or less national rather than imperial in character. Each of the six self-governing States in the Empire can do what it pleases without seriously compro-

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mising the others. The control of foreign policy, however, rests on an entirely different basis. The Empire must act as a unit or it will disintegrate. There seem to be two possible ways of securing the necessary unity. The final responsibility must either be centered in the Cabinet and Parliament of the United Kingdom, as it was before 1914, or it must be transferred to some new body which will be qualified to speak for the Empire as a whole and which will always be ready to function when the emergency arises.

The whole Empire was involved in the World War by the action of a Cabinet and Parliament which represented only the United Kingdom. The Dominions, in addition to losing thousands of their best men, will be compelled for a generation or more to labor under an enormous burden of public debt. This practically means that they were taxed and that their taxable resources were mortgaged for an indefinite period by a body in which they were not represented. The war was just. It would undoubtedly have been approved by all the Dominions, if they could have been consulted in advance. They made sacrifices which challenge the admiration of the world. There has not been a word of complaint. At the same time, this should not blind us to the fact that the system itself is fundamentally wrong. It would have been changed long before 1914, if it had not been for the feeling which generally prevailed outside of Germany that peace rather than war was the normal condition of society. The Dominions also acquiesced because the system had its financial compensation. They were protected by the British navy and their foreign affairs were administered by the British diplomatic corps with no expense to themselves except an occasional insignificant voluntary contribution. This obviously is not right. All the self-governing portions of the Empire should have both responsibilities and obligations in time of peace as well as in time of war.

The Dominions exerted considerable direct influence on foreign policy in 1917–18 through the Imperial War Cabinet and the Imperial War Conference. They were also represented in the Supreme Inter-Allied War Council at Versailles and in the United Empire Delegation at the Peace Conference. Their

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statesmen signed the Peace Treaty and their parliaments ratified it. They have been given separate representation in the Assembly of the League of Nations and three of them—Australia, New Zealand and the Union of South Africa—have shared in the allocation of mandates. The Prime Ministers, at their meeting in June, will consider the renewal of the Anglo-Japanese alliance, and it is safe to predict that no action will be taken on that question that does not meet the approval of the Dominions.

These facts make it clear that the Dominions will never again return to their old *ante-bellum* position of dependence in the control of foreign policy, but the facts do not in themselves indicate a final solution of the problem. The tendency is toward disintegration rather than coöperation. In the South African Treaty debate, September 10th and 11th, 1919, General Smuts said: "As a result of the Conference in Paris, the Dominions in future would in regard to foreign affairs deal through their own representatives. The Dominions of the Empire would in future, therefore, stand on a basis of absolute equality."[1] Although the desire of Canada to have her own diplomatic representative at Washington has apparently been side-tracked by the appointment of Sir Auckland Geddes as British Ambassador[2], the question may be revived at any time. It has been announced that Australia is to make a similar request for separate representation. If this is done, New Zealand and the Union of South Africa will probably follow suit. The Union of South Africa assumed its mandate over South West Africa without obtaining specific powers from the Government of the United Kingdom. In the absence of any administrative body representing the Empire as a whole, this procedure was perfectly logical, but it makes for disunion. The separate representation of the Dominions in the Assembly of the League of Nations, though in some respects highly desirable, is also from the constitutional point of view a concession to particularism.

Several solutions of the problem have been offered, some of

[1] Quoted in *The Nation* (London), Nov. 27, 1920, vol. 28, p. 306.

[2] He is a Canadian by adoption.

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them dating back to a time when numerous other questions were involved besides the control of foreign policy. The idea of a federation of the colonies themselves was suggested by William Penn in 1697, by Benjamin Franklin in 1754, and by Joseph Galloway in 1774 and 1780. Put into practical operation in Canada in 1867, in Australia in 1901, and in South Africa in 1910, it solves a few of the minor difficulties, but does not touch the main issue at all.

Colonial representation in the existing Parliament at Westminster was apparently first proposed by Colonel Thomas Modyford of Barbados in 1652. It was advocated shortly before the American Revolution by Benjamin Franklin and James Otis in America and by Lord Chatham and others in Great Britain. Adam Smith lent it the great weight of his support in *The Wealth of Nations* (1776). After the Revolution, it was suggested, among others, by Joseph Hume, the well-known English radical leader, in 1831, and by Joseph Howe of Nova Scotia, in 1854. With the exception of Chatham's scheme, which provided for representation in both Houses of Parliament, all of these plans were based upon the idea of representation in the House of Commons only. For many reasons this solution is not now practicable in any of its various forms. It would certainly not be advisable to introduce colonial representation into a body which is already overcrowded and overworked and which is still largely concerned with purely local issues.

About 1870, Mr. C. W. Eddy began to advocate a revival of the old Privy Council Committee of Trade and Foreign Plantations, with provision for regular colonial representation. The idea was popularized by Lord Grey and for a time it received a considerable amount of support. Such a plan would not seem at all radical now, in view of the recent admission of colonial members to the Judicial Committee of the Privy Council. It was, however, regarded as distinctly revolutionary by the bureaucrats of that day and was never given really serious consideration. If adopted, it might have developed into a permanent Imperial Executive similar to the Imperial War Cabinets of 1917 and 1918.

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Another plan was based upon the idea of a special Council to advise the Colonial Secretary, modeled upon the Council in the India Office. This could hardly serve the purpose, inasmuch as the Colonial Secretary's authority is now practically restricted to the Crown Colonies and a few of the Protectorates. It would be more to the point to establish such a Council in the Foreign Office.

There are several schemes based upon the idea of an Imperial Advisory Council which would make recommendations to the various Governments, but would have no powers of legislation. The Imperial Conference (1887–1918), soon to be described, was founded upon this theory. In 1858 and 1869, Mr. Henry Kilgous of Edinburgh proposed a Council or Assembly to be made up of 250 members, one half appointed by the Crown and the other half elected by the various local Parliaments.[1] In an article in the *Nineteenth Century and After* for March, 1917, Mr. (later Sir) Herbert Samuel suggested that an Assembly, representing the Parliaments of the United Kingdom and the Dominions, should consider Imperial policies, draft Imperial laws, examine Imperial budgets, and recommend the apportionment of the burden among the various States; but none of its resolutions would be put into force in any part of the Empire until the Parliament for that part had approved it. Mr. Samuel also proposed an Imperial Executive, composed of the Prime Minister and other ministers of the United Kingdom especially concerned with Imperial affairs together with at least one representative from each of the Dominion Governments. As we shall see presently, an executive of this character was almost immediately established and proclaimed to the world as a permanent feature of the Imperial Constitution.

All of these plans assume the need of a confederate, rather than a federal, type of organization. That is to say, they are all grounded upon the theory of states' rights rather than upon the theory of organic unity. History shows that confederacies sometimes develop into federations, but usually a civil war is

[1] This plan and several others are discussed in detail in A. L. Birt's *Imperial Architects.*

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necessary to complete the transition. The examples of Switzerland and the United States should be sufficient to warn the people of the British Empire that no organization should be formed which does not define clearly the ultimate repository of sovereignty. This is the chief defect in the so-called "Half-Way-House plan" of Mr. W. Basil Worsfold. Mr. Worsfold puts forward this ingenious program as a compromise, as a Half-Way House along the road which he believes will lead ultimately to the Promised Land of Federation. The Dominions are to agree for ten years to contribute to the annual cost of the Imperial services, "the contributions to be adjusted in each case to (say) two-thirds of an amount proportionate on a basis of population to the amount provided by the United Kingdom for the same services." The Imperial budget must, however, be approved each year by the Dominions Council of Delegates, a body made up of representatives elected for a period of three years by the several local legislatures. The Dominions might have equal representation or they might be represented according to population. Voting might be *per capita* or each Dominion might have one collective vote. In any case, if the budget were approved by the majority all of the Dominions would have to contribute their quotas. This, of course, is the dangerous feature. Some of the Dominions might refuse to pay or might even decide to withdraw from the arrangement altogether. Would they be coerced? Mr. Worsfold does not say. The Constitution of the United States also failed to provide for such contingencies and the result is well known. Any state which voluntarily forms a political association with other states is entitled to know exactly where it stands. Failure to make this point clear is a political crime which no amount of subsequent theorizing about the nature of sovereignty can possibly excuse.

The true federal solution is free from this defect. It assumes that the Empire is an organic unit and that the final control of the military must be vested in the central government with full power to use it in the enforcement of its legitimate authority. The Federationists lay a great deal of emphasis upon the successful example of the United States. They draw their inspira-

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tion largely from Oliver's *Alexander Hamilton*, and, like Oliver, they usually attribute to Hamilton more credit than he really deserves. The Canadian, Australian and South African federations are also popular precedents. The German system is occasionally cited, but usually as an example to be avoided. The Dominions would never voluntarily enter a system that gave Great Britain the extensive powers exercised by Prussia in the late German Empire. As a matter of fact, a British Imperial Federation would be entirely different from any of those mentioned. The difference would be largely a matter of geography. The territories concerned are scattered all over the world and the economic conditions vary so greatly that it would be extremely difficult, for the present at least, to establish that internal freedom of trade which is generally regarded as indispensable to federation. The problem of defense would also be very different from that which prevails in a federation of contiguous states.

The federal plan provides for the creation of an Executive and a Legislature entirely distinct from the Cabinet and Parliament of the United Kingdom. The most detailed schemes are those presented by Mr. Lionel Curtis in *The Problem of the Commonwealth* (1916) and Mr. A. Basil Worsfold in *The Empire on the Anvil* (1916). Mr. Curtis emphasizes the executive department, Mr. Worsfold pays more attention to the legislature. The Imperial Cabinet, according to Mr. Curtis, would consist of a Prime Minister, a Foreign Secretary, a Secretary for War, a First Lord of the Admiralty, a Secretary for India, a Colonial Secretary, a Minister of Finance, and a Minister of Munitions. The United Kingdom and each of the Dominions would always be represented by at least one minister. This Cabinet would be responsible to a Parliament representing all of the self-governing portions of the Empire and possibly also the dependencies. Mr. Curtis seems to feel that the apportionment of parliamentary membership should be based upon the voting population or upon the amount of imperial contributions, with a rather liberal interpretation in favor of the smaller Dominions. Mr. Worsfold is more definite. His parliament would consist of a Senate of 200 members and a House of

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Representatives of 400 members. Three-fourths of the members of each house would be chosen from the white states and one-fourth from the colored states. The representation from the white states would be apportioned as follows: in the Senate, the British Isles 90, and the Dominions 60; in the House, the British Isles 222, and the Dominions 78. Of the colored states, India was to have 30 Senators and 65 Representatives; Egypt and the Anglo-Egyptian Sudan, 6 Senators and 8 Representatives; the West Indies, the Far East (other than India), and the colored parts of Africa dividing the remainder. The actual colored membership would be much smaller than these figures might imply. The governments of the colored states would appoint all of their Senators, which would mean, in practice, that many of them would be white men. Representatives would be elected by universal suffrage, but the Representatives themselves would have to be Europeans or natives who could comply with certain rigid and carefully defined tests of European civilization.

Mr. Curtis and Mr. Worsfold agree in the main as to the nature of the powers to be exercised by the Union Government. It would first of all have control over foreign affairs, Imperial defense, and the government of the dependencies. It would also determine the amount of revenue necessary to exercise these functions and allocate the burden among the various States according to population, wealth, or taxable capacity. At this point the two plans begin to diverge. Mr. Curtis would not interfere with the ordinary fiscal arrangements of any part of the Empire. Each state would raise its quota as it saw fit. The United Kingdom could continue its free-trade policy and the Dominions could remain loyal to protection. Mr. Worsfold favors a system more like that which prevails in the United States under which the central government is allowed absolute control over certain fields of taxation. He would solve the tariff problem by the Chamberlain method of establishing free trade throughout the Empire with protection against the rest of the world. For the present, this system probably would be too protective for the United Kingdom and not protective enough for the Dominions. As a special concession to the

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Dominions, he would allow them to protect their infant industries against British competition, but he would authorize the Union Government to judge the legitimacy of the infants and presumably also to determine when they had reached the age of manhood.

Nevertheless, while Mr. Curtis and Mr. Worsfold differ as to the necessity for a unification of fiscal policy, they are agreed that the Union Government should have the right, as a last resort, to use military force in the collection of taxes. This, of course, is the ultimate test of an organic union. Ugly and unnecessary as it may appear, it should be made the corner-stone of the constitution.

Another difficult problem which every federation has to face sooner or later is that which has to do with the "twilight zone", the borderland between federal and state powers. Let us suppose that the Union Government is given control over foreign affairs while the regulation of immigration is left to the states. It is a well-known fact that all the Dominions discourage the immigration of Asiatics and that Australia, in particular, regards this policy as necessary to her very existence. Suppose some Asiatic power protests against Australia's exclusion laws and threatens war unless they are repealed. What is to be done? The Union Government will have to support Australia or violate the Imperial Constitution by encroaching upon the right of a state to regulate the character of its immigration. When the Constitution is formed it should be based upon the fundamental policy that the white portions of the Empire are to remain white and it should be made clear that this policy could be changed only with the joint consent of the Union Government and the government of the state immediately concerned.

The Constitution may provide some such solution of the problem of immigration. It may settle other issues with the same precision. We know, however, from the example of other federal systems, that there will be many cases of doubtful jurisdiction, and that some body will have to be established with power to delimit the functions of federal and state governments. This authority will probably be exercised by a

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central tribunal, which, like the Supreme Court of the United States, will do very little to protect the states against the encroachments of the federal government. Mr. Worsfold suggests some such court, but he does not go much into detail in regard to its organization and jurisdiction.

II

With this brief analysis of imperial constitutional theory, we shall now proceed to a general historical discussion of the Imperial Federation movement. During the thirty years that followed the Canadian Rebellion of 1837, sentiment in Great Britain was distinctly anti-imperial. This feeling was well represented by Professor Goldwin Smith, who advocated the union of Canada and the United States and frankly urged the wisdom of getting rid of the colonies altogether. The reaction which set in during the later sixties was reflected in the founding of the Royal Colonial Institute in 1868, in the publication of numerous magazine articles dealing with colonial subjects in 1870 and 1871, and in the rapid development of Lord Beaconsfield's imperial program.

The first public suggestion of Imperial Federation seems to have been made in two articles contributed by the author of *Ginx's Baby* (Mr. Edward Jenkins) to the *Contemporary Review* for January and April, 1871. He coined the term *Imperial Federalism* and proposed the establishment of a government for the British Empire modeled on the federal systems of the United States and Canada. At a conference held in the Westminster Palace Hotel in July, 1871, the idea of an Imperial Parliament was strongly supported by Mr. F. P. Labillière of Australia. Mr. (later Sir) Frederick Young published a book on *Imperial Federation* in 1876, and there was an article entitled "Federation of the English Empire" in the *Westminster Review* for October, 1879. There was very little general interest in the subject, however, until about 1884. In that year, Bismarck suddenly abandoned his opposition to colonial expansion and Germany began to seize all available territory in Africa and the islands of the Pacific. Arabi's rebellion had just been suppressed in Egypt, the Hicks expedition to the

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Sudan had been destroyed by the Mahdi, and General Gordon had been sent to Khartum to extricate the Egyptian garrisons. Professor John R. Seeley's lectures on *The Expansion of England*, published in 1883, were also an important factor in arousing public interest.

Through the efforts of Sir George Baden-Powell, Sir Frederick Young, Mr. W. E. Forster and others, meetings were held in London in July and November, 1884, which resulted in the formation of the Imperial Federation League. Mr. Forster was president or chairman of the League from 1884 to 1886, Lord Rosebery from 1886 to 1892, and Mr. Edward Stanhope from 1892 to 1893. The chief object of the League was to conduct a propaganda in favor of Federation. Branches were formed throughout the Empire and a monthly magazine was founded, called *Imperial Federation*. The League was in existence for less than ten years, but during that short period it did a large amount of excellent educational work and brought about the first meeting of the Colonial Conference.

The two or three years immediately following the establishment of the League were favorable to its cause. General Gordon's tragic death at Khartum, early in 1885, made a deep and lasting impression both in Great Britain and in the colonies. In the same year, a dispute over Afghanistan brought Great Britain and Russia to the verge of war. France was still chafing under her exclusion from the dual control in Egypt. The long conflict between the British and the Boers in South Africa had culminated in the practical recognition of the independence of the two Dutch Republics, and Cecil Rhodes was struggling almost alone to save Rhodesia and Bechuanaland for the Empire. Germany was continuing her policy of colonial expansion in the islands of the Pacific, to the great alarm of the people of Australia and New Zealand. In other words, Great Britain, being in a condition of almost complete diplomatic isolation, was able for the first time to appreciate the need of a closer union with the rest of the Empire. The result was the establishment in 1887 of the Colonial Conference, which has since come to be recognized, under the name *Imperial Conference*, as a permanent feature of the Imperial Constitution.

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During the period from 1887 to 1910 there was a noticeable reaction in the Federation movement. The Imperial Federation League died in 1893, mainly as a result of the lukewarm attitude adopted toward it by Lord Salisbury and Mr. Gladstone. There were sessions of the Colonial (Imperial) Conference held in 1894, 1897, 1902 and 1907, but they dealt almost entirely with questions of secondary importance. The intense feeling of loyalty aroused by the Boer War (1899–1902) might perhaps have been utilized for the establishment of a Federation, if Mr. Chamberlain had not tried to divert it to the support of his protective-tariff program.

Shortly after the Boer War, a few young Englishmen in South Africa started a movement in favor of local Federation, an organization of Closer-Union Societies being formed to carry on the necessary work of discussion and propaganda. Just before the victory was won in 1910, they decided to embark on the broader and more ambitious project of general Imperial Federation. The Closer-Union Societies were retained and through their influence and example similar organizations were founded throughout the Empire. Headquarters were established in England and *The Round Table*, a quarterly magazine, was instituted "as a medium of mutual information on Imperial affairs". The so-called Round Table school soon became the most important single factor in the Federation campaign. The leaders in this movement are mostly young lawyers, journalists and university professors, Lord Milner being the only representative among the great political chiefs. Mr. Lionel Curtis, one of Lord Milner's protégés in the reconstruction work in South Africa, is the most energetic member of the group. In addition to *The Problem of the Commonwealth*, which has already been mentioned, he has published Part I of what is apparently to be a three-volume study of *The Commonwealh of Nations* (1916). In this larger work, he proposes to give a history of the colonial system as it existed before 1783, to trace the inter-imperial relations of the various parts of the Empire since 1783, and to show wherein those relations are defective and how they may be changed. In the course of these studies Mr. Curtis became convinced that India must be included as

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an equal partner in any successful scheme of Imperial Federation. He visited India during the cold season of 1916–17 and published the results of his investigations in a small volume entitled, *Letters to the people of India on Responsible Government* (1918). Mr. Curtis is generally supposed to be the mentor of Mr. Montagu, the Secretary of State for India. Until the publication of his recent book, it was taken for granted that he was the author of the so-called *dyarchy* scheme, which with some modifications has become the basis of the new Montagu-Chelmsford plan of government.[1]

III

We now come to the practical side of our problem, the history of the Imperial political institutions of the present time, together with the steps that have been taken to bring about further constitutional development.

The oldest of the existing institutions is the Imperial Conference. An Indian and Colonial Exhibition, held in London in the summer of 1886, was made the occasion of a largely attended meeting of the Imperial Federation League. On August 11th, the League requested Lord Salisbury, the Prime Minister of the United Kingdom, to summon a conference for the purpose of creating a permanent Imperial Council. As a result of this request, the first Imperial Conference—or Colonial Conference, as it was called at that time—met in London in 1887. There were 121 delegates present at the opening session, representing the United Kingdom, the Self-Governing Colonies, India, the Crown Colonies and the Protectorates. The attendance at the subsequent meetings was much smaller, being practically restricted to a few of the British Ministers and the delegates from the Self-Governing Colonies. Lord Salisbury's opening address was very discouraging. He thought that the time was not yet ripe for either a Federation or a *Zollverein*, although a *Kriegsverein*, a sort of coöperative scheme of Im-

[1] The idea was apparently first suggested by Sir William Duke and was developed by Mr. Curtis and others in the Round Table discussions. See Lionel Curtis, *Papers Relating to the Application of the Principle of Dyarchy to the Government of India.* Oxford, University Press, 1920.

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perial defense, was highly desirable. The consequence was that no central governmental machinery was established and the Conference spent its time in rather futile discussions of Imperial defense and cable communications. It was not allowed to adopt formal resolutions even on these issues.

All told there have been eight Imperial Conferences—1887, 1894, 1897, 1902, 1907, 1911, 1917 and 1918. All of these were held in London, except the second, which met in Ottawa. The general tendency has been to decrease the size of the Conference and, until 1917, to have it represent only the United Kingdom and the Self-Governing Colonies. The members are chosen by the various governments from their own ranks. A few delegates from the opposition parties would make the body more truly representative of Imperial opinion. In 1907, the dignity of the Conference and the Self-Governing Colonies was enhanced by the substitution of the term *Imperial Conference* for *Colonial Conference* and of the term *Dominion* for *Self-Governing Colony*, by the creation of a Dominions Division of the Colonial Office, and by the establishment of a permanent Secretariat of the Imperial Conference. The constitution of the Conference was also more clearly defined. It was to meet every four years and it was to consist of the Prime Minister of the United Kingdom, the Secretary of State for the Colonies, the Prime Ministers of the Dominions, and such other ministers as the respective governments might appoint. Each of the governments was to have one vote on all questions.

Until the meeting of 1911 the Conference dealt mainly with cable, shipping and postal communications; with the laws of patents, copyrights and trade marks; with emigration, immigration and naturalization; and with various other questions, all of which were important, but hardly important enough to require an assemblage of Prime Ministers. At the meeting of 1911, however, the delegates were for the first time let into the mysteries of that ark of the covenant, the Foreign Office. Sir Edward Grey laid before them a confidential summary of the foreign relations of the Empire with all their dangers and difficulties.

On account of the war, the Conference which was scheduled

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to meet in 1915 was indefinitely postponed, presumably until the end of hostilities. The war lasted longer than was generally expected, however, and it brought forward many problems which required more effective inter-imperial coöperation. The Government of the United Kingdom, apparently at the instigation of Lord Milner, summoned an Imperial War Conference, which met in London from March 20th to May 2nd, 1917. The United Kingdom and all of the Dominions, except Australia, were represented. Mr. W. M. Hughes, the Prime Minister of Australia, was thoroughly in sympathy with the objects of the meeting, but being in the midst of a general election campaign, he found it impossible to attend in person and inexpedient even to send a representative. A unique feature of the Conference was that India was represented for the first time by regular delegates sent to Europe for that purpose. In addition to Mr. Austen Chamberlin, Secretary of State for India, her delegation included Sir James (now Lord) Meston, Lieutenant-Governor of the United Provinces of Agra and Oudh, Sir S. P. (now Lord) Sinha,[1] the first Indian member of the Governor-General's Executive Council, and the Maharajah of Bikanir, representing the rulers of the Native States.

This Conference recommended, among other things, that the Admiralty should be instructed to prepare an effective *post-bellum* scheme of naval defense; that the resources of the Empire should be developed by preferential tariffs by the establishment of an Imperial Mineral Resources Bureau in London, and by encouraging emigrants from the United Kingdom to settle under the British flag; and that India should be fully represented in all future Conferences. The most important resolution of all, however, was that mentioned at the beginning of this paper, proposing that a special Imperial Conference should meet as soon as possible after the war for the purpose of readjusting the constitutional relations of the various parts of the Empire.

[1] Lord Sinha was later Under-Secretary of State for India and a member of the British Empire Delegation at the Peace Conference. He was recently appointed Governor of Bihar and Orissa under the new plan of government.

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The last Imperial War Conference, June 12–July 26, 1918, was the only complete Conference that has ever been held. Australia was not represented in 1917 and India was not fully represented in any of the earlier meetings. At one time or another there were about twenty-five delegates present, including Mr. Walter Long of the Colonial Office, who presided; Mr. A. J. Balfour of the Foreign Office; the Prime Ministers—Borden of Canada, Lloyd of Newfoundland, Hughes of Australia, and Massey of New Zealand; and General Smuts of South Africa. The chief business was the consideration of a *post-bellum* economic program that would free the Empire from dependence on other countries for its supply of essential raw materials. There was also some discussion in regard to the care of soldiers' graves, cable rates, emigration from the United Kingdom, and the exclusion of Hindu immigrants from the Dominions.

The Imperial Conference has served a useful purpose, and in the absence of any more effective central organization, it will probably do good work in the future. It has acted as a clearing house through which the Dominions have been able to exchange experiences in the settlement of common administrative and industrial problems. It has brought home to the states of the Empire the need for working out a unified system of Imperial defense. It may also have served to some extent as a model for the Assembly of the League of Nations. We must remember, however, that it meets at infrequent intervals and that its functions are purely consultative and advisory. If an emergency similar to that of August, 1914, should arise again, a Conference would probably not be in session at the time, and, if it were, it would not have power to take decisive action.

There are two other Imperial administrative institutions that remain to be considered, the Committee of Imperial Defence and the Imperial Cabinet. When Sir Edward Grey submitted to the Imperial Conference in 1911 his summary of the foreign relations of the Empire, he knew that the story he was telling then would be obsolete by 1915, the date of the next scheduled meeting. In view of this fact, the government of the United

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Kingdom, through Mr. Lewis Harcourt, Secretary of State for the Colonies, formally invited the Dominion governments, on December 10, 1912, to take a permanent part in the proceedings of the Committee of Imperial Defence, a body created in 1904 and composed of the Prime Minister; the Chancellor of the Exchequer; the Secretaries of State for Foreign Affairs, War, the Colonies, and India; the First Lord and the First Sea Lord of the Admiralty; and various other Ministers and military and naval experts. The offer was neglected by the Dominions, partly because of inertia and partly because of a fear that it might entail financial obligations. As the invitation is still open, the Committee of Imperial Defence may be regarded, theoretically at least, as one of the great central institutions of the Empire. In actual practice, it will probably be superseded by the Imperial Cabinet.

The Imperial Cabinet or, as it was called at that time, the Imperial War Cabinet, was instituted in March, 1917. It was made up of the five regular War Cabinet members—Mr. Lloyd George, Lord Milner, Lord Curzon, Mr. Bonar Law and Mr. Arthur Henderson—and the Dominions and Indian members of the Imperial Conference, apparently with the exception of Sir G. H. Perley. Mr. Long presided at the meetings of the Conference, Mr. Lloyd George at the meetings of the Cabinet. The two bodies met usually on alternate days, extending over the period from March 20 to May 2.

The creation of this body marked a distinct epoch in the history of the Empire. Sir Robert Borden and Mr. Hughes were occasionally requested to attend Cabinet meetings in 1915 and 1916, but this was the first time that India and the Dominions were asked to participate in the councils of the Empire in a regular executive capacity. Furthermore, the new Cabinet had apparently come to stay. Mr. Lloyd George announced in a speech in the House of Commons, on May 17, 1917, that it would hold at least one session a year, in peace as well as in war. It was, he said, to consist of the Prime Minister of the United Kingdom and such of his colleagues as dealt especially with Imperial affairs, of the Prime Minister of each of the Dominions or some specially accredited alternate possessed of

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equal authority, and a representative of the Indian people to be appointed by the Government of India.

A second series of meetings of the Imperial War Cabinet were held in connection with the Conference of 1918. Two important constitutional resolutions were adopted. In recognition of the principle of equal status, it was resolved that the Prime Ministers of the Dominions should in the future have the right to communicate directly with the Prime Minister of the United Kingdom instead of through the Colonial Office. This concession has not in actual practice proved of very much value, inasmuch as the communications received by the British Prime Minister usually have to be sent to the Colonial Office to secure the information necessary for a reply. It was also resolved that meetings of the Imperial Cabinet should be held at more frequent intervals in the future and that each Dominion should keep a resident Minister in London to represent it in the absence of its Prime Minister.

From the constitutional point of view the Imperial War Cabinet and the Imperial War Conference were fundamentally different. The Cabinet was a real executive. It controlled the movements of armies and navies and decided the fate of nations. The Conference, on the other hand, was merely an advisory board, a sort of quasi-diplomatic congress. The Cabinet worked smoothly, in spite of the fact that it violated the principles of responsible government, for the simple reason that in time of war the predominance of the executive over the legislature is taken for granted. Each delegation was responsible to the legislature of its own state, but there was no collective responsibility. In other words, there was an Imperial Executive without an Imperial Legislature, an anomaly hitherto unknown in the British system of government. The Prime Ministers' meeting in June is already being referred to as an Imperial Peace Cabinet. It will, however, undoubtedly partake of the nature of a Conference rather than a Cabinet. It will be a consultative and not an executive body.[1]

[1] For a further discussion of the Imperial War Cabinet see the very interesting article by W. Basil Worsfold in *The Nineteenth Century and After* for

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So far as the future is concerned, two methods of securing unity of action in foreign policy have already been suggested. If the Imperial Constitutional Convention proposed in 1917 meets in 1922, as now seems possible, it will have to elaborate one of these methods, work out an alternative plan, or frankly admit that the United Kingdom and each of the Dominions will have to solve its own foreign problems, keep its own armies and navies, and fight its own wars.

The first method is that proposed by the Imperial War Cabinet of 1918, noted above, that there should be a permanent Imperial Executive and that each dominion should keep a resident minister in London in order to secure continuity of action and avoid delay in times of emergency. The government of the United Kingdom has occasionally, since 1918, invited to Cabinet meetings oversea Ministers who happened to be in England, as in the case of General Smuts. The British Empire Delegation at the Peace Conference was practically an Imperial Cabinet under another name. There were also meetings of British and Dominion statesmen held in May, 1920, before the Spa Conference and in November, 1920, before the meeting of the Assembly of the League of Nations.[1] But no steps have been taken to establish a body of resident Dominion ministers, partly perhaps because the various governments are absorbed in their own internal affairs and partly because of the fear that permanent representatives in London would succumb to the blandishments of English Imperial society, acquire an accent, and get out of touch with their constituents.[2] Even if these difficulties are overcome, it is not likely that there can ever be a really effective Imperial Executive in time of peace unless there is also an Imperial Legislature to which it can be held collectively responsible.

The second method, which postulates a Super-Parliament as

February, 1921 (vol. 89, pp. 316-328); *cf.* R. L. Schuyler, "The British War Cabinet", POLITICAL SCIENCE QUARTERLY, vol. 33, pp. 378-395, and "The British Cabinet", *ibid.*, vol. 35, pp. 77-93.

[1] See Worsfold's article, *op. cit.*, p. 321.

[2] See, for example, the letter of J. A. S., Canadian correspondent of the *New Statesman*, in the issue for September 8, 1917 (vol. 9, pp. 535-536).

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well as a Super-Cabinet, is more logical, but in the present state of Imperial public opinion it is much less likely to be adopted. The resolution of 1917 providing for the special *post-bellum* Conference to readjust the constitutional relations of the various parts of the Empire contained the following proviso, which was obviously intended to prevent a Federal solution:

> It [the Conference] deems it its duty, however, to place on record its view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth, and of India as an important portion of the same, should recognize the right of the Dominions and India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common Imperial concern, and for such necessary concerted action, founded on consultation, as the several Governments may determine.

This clause speaks for itself, but if there were any reason to doubt the meaning it would be removed by a study of the Conference debates. General Smuts said: "If this resolution is passed, then one possible solution is negatived, and that is the Federal solution. The idea of a future Imperial Parliament and a future Imperial Executive is negatived by implication by the terms of this resolution." As General Smuts's statement was not questioned, it may be assumed that the Conference passed the resolution with his interpretation. This assumption is strengthened by a speech made by Sir Robert Borden on his return to Ottawa, in which, "after paying compliments to the 'admirable and enthusiastic young men' who had planned Imperial Federation, he condemned their project and made a prosy oration about the advantages of Imperial Conferences."[1]

In spite of the propaganda of the Round Table group, the feeling against Federation is probably stronger now than it was in 1917.[2] The Federationists may, however, derive some com-

[1] J. A. S., *op. cit.*, p. 535.

[2] See, for example, the evidence presented by H. Duncan Hall, an Australian University professor, in his recent book on *The British Commonwealth of Nations* (Methuen, 1920).

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fort from American precedent. Our Convention of 1787 created a Federal Constitution and provided that it should go into force when it was ratified by nine states, although it was summoned to suggest amendments to a Confederate Constitution which required the ratification of all the states.

A popular referendum on the question of Federation at the present time would almost certainly be unfavorable. There remains a great deal of educational work to be done in the United Kingdom, as well as in the Dominions, to create the necessary feeling of solidarity. The following are some of the objections that will have to be answered:

First. Both the United Kingdom and the Dominions will be unwilling to abandon their independent fiscal policies. This obstacle is less serious now than it was before the war. Shortly after the Economic Conference of the Entente Powers, held in Paris in June, 1916, the British Government appointed what was known as the Lord Balfour of Burleigh Committee, to consider the question of Imperial Trade. This Committee, made up largely of theoretical free-traders, reported on February 2, 1917, in favor of preferential tariffs. The substance of their argument was that economic interests must be subordinated to political and strategic considerations, that an assurance of freedom is more to be desired than a precarious opulence. The recommendation was unanimously approved by both the Imperial Conference and the Imperial Cabinet and steps will probably be taken soon to put it into operation.

Second. Some of the Dominions are unwilling to be taxed by a body in which they will have a relatively small representation. New Zealand, for example, on a basis of population, would have only five members in a Parliament of three hundred. Even if the central authority merely fixed the amount of revenue desired and left each Dominion free to raise its quota as it saw fit, there might still be trouble. In view of the heavy war debts that the Dominions have incurred, they will probably be no more willing now than they were before 1914 to bear their fair share of the burden of Imperial defense. The American Revolution stands as a constant reminder of the dangers inherent in this problem.

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Third. There is a feeling that while there should be unity in the control of the navy, each Dominion should have charge of its own land forces. Sir Joseph Ward of New Zealand emphasized this very strongly in the debates in the Imperial Conference.

Fourth. There is the argument that the Dominions now have a sort of negative influence on foreign policy far greater than they could hope to exert through their small delegations in a Super-Parliament. This idea is well expressed in a leading article in the *Sydney Daily Telegraph* of February 1, 1917:

> Under the autonomous principle we are free to take our own course, and this very fact influences the Imperial view much more powerfully than we could expect that it would be affected by a hopelessly swamped representation in an Empire Parliament. The Dominions support the policy of the Imperial Government voluntarily, because they consider it to be for their own good, and while that is so the Imperial Government will always have to consider whether its policy will justify such support or not.[1]

There are many other difficulties of a somewhat miscellaneous character. Any scheme of Federation will be opposed by Australia, New Zealand, South Africa, and the western provinces of Canada which does not contain adequate guarantees on the subject of Asiatic immigration. Any scheme will be opposed by the large Irish populations of Canada and Australia which is not accompanied or preceded by Home Rule or independence for Ireland. The French in Canada and the Dutch in South Africa will also have to be converted. M. Henri Bourassa, the well-known Quebec Nationalist leader, has written a satirical pamphlet in defense of Federation as the shortest road to independence. In his opinion, Canada would soon become so dissatisfied with the system that she would secede from the Empire. Finally, the creation of the Imperial Cabinet and the improvement in the position of the Imperial Conference have convinced many people that no closer union is necessary. That is to say, the rejuvenation of the Confederate system has helped to throw

[1] Quoted in the *New Statesman,* April 21, 1917.

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the Federal solution out of court. Although some of these obstacles are serious, it can not be said that any of them is insuperable.

The people of the United States should be keenly interested in the success of the Federation movement. Many of us believe that the future peace of the world depends upon Anglo-American friendship, a friendship that will be most effective if it takes the form of a permanent alliance between the United States and a strongly-organized and unified British Empire.

WILLIAM ROY SMITH.

BRYN MAWR, PENNSYLVANIA.

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MR. WELLS'S UTOPIAN PESSIMISM

THE various reactions of critics, professional and lay, to Mr. Wells's *Outline of History* remind us of the story in the old school readers of the six blind men who were introduced to the elephant. One, touching his broad side, pronounced the animal a wall; another, getting hold of his trunk, called him a snake; a third, running against his leg, declared that he "was very like a tree", and so on. Mr. Wells's reviewers have remarked on his courage (or foolhardiness) in entering the field of history without professional equipment. They have praised his style and pointed out his mistakes. They have selected, more or less at random, his treatment of important epochs or persons for laudatory or commendatory comment. They have rather sampled the *Outline* than estimated it as a whole. And indeed such a procedure is inevitable for one who would attempt in a few pages the "review" of Mr. Wells's work. For the two stout volumes are themselves a highly condensed and rapid review of the countless centuries of life upon our planet. It is the purpose of the present article to pass over the very interesting questions of detail which are suggested in every section of Mr. Wells's survey of history, and to examine his fundamental conception of the mission of history for mankind.

First of all, Mr. Wells believes that history has a very exalted mission. It is "the beginning and core of all sound philosophy and all great literature" (II, p. 36). It is purposeful and teleological, the matrix of the future, not the mummy of the past. The narrative of history is useful only as a stimulus to the realization of "the common adventure of all mankind", which is even in our own day only a purblind groping toward the world-state of universal peace, universal education, order, industriousness and comfort. "History is and must always be no more than an account of beginnings" (II, p. 594). Even when world-wide political and social unity shall have been attained (a consummation already present to the vision of seers, but destined to wait nobody knows how many ages for actual realization), "it will mean no resting stage, nor even a breathing stage, before the development of a new struggle and of new and vaster efforts. Men will unify only to intensify the search for knowledge and power, and live as ever for new occasions"

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(*ibid.*). The curves of history and the earthly millennium, though asymptotic, are convergent. And it is just the index of convergence that matters in history. The past *quâ* past is as far beyond our power to change as the path of the stars. Its factual detail, therefore, of which our knowledge at all points is so highly precarious, cannot have that same exacting interest for Mr. Wells as for the historian of Ranke's school with his passion to know *wie es eigentlich gewesen.* It is the second clause of Cicero's formula in the *De Finibus* (*"praetermissa repetimus, inchoata persequimur"*) that Mr. Wells emphasizes. Not the story, but the contribution of history, is the important thing. While, therefore, it is not inappropriate to criticize his telling of the story, it is more apposite to examine his estimate of the contribution.

Now it is Mr. Wells's thesis that history exhibits a constant, though not continuous, approximation to the ideal of a political and social unity of mankind in a "community of will". The progress is slow, and often interrupted. Roman hebetude, mediæval papacy, Machiavellian monarchy, modern worship of the State, mark "relapses", "back-waters", "eddies of faltering faith in a process altogether greater and altogether different in its general tendency" (II, p. 247). But at least since the wonderfully coincident dawn, about a half a millennium before Christ, in Athens, Judea and India, of the idea of the responsibility laid upon man for adding to his mental and moral stature by taking thought, "every generation has given evidence of men seeking for that better order to which they feel our world must come. . . . The last twenty-three centuries of history are like the efforts of some impulsive, hasty immortal to think clearly and live rightly. Blunder follows blunder; promising beginnings end in grotesque disappointments; streams of living water are poisoned by the cup that conveys them to the thirsty lips of mankind. But the hope of men rises again after every disaster" (I, p. 365).

And even when the cup is purged of its poison, it is a tantalus cup. Man's thirst is still not quenched. The tyranny of the present weighs as heavily as the tyranny of the past. We cannot any longer indulge in the assumptions of the eighteenth-century philosophers that mankind is now fairly out of the woods of barbarism, with a clear path to the heights of human perfection. In the complacent disquisition on the security of his own age which Gibbon appends to his thirty-eighth chapter under the title of "General Observations on the Fall of the Roman Empire in the West", he invites his

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readers to "acquiesce in the pleasing conclusion" that the wealth, happiness, health and virtue of the human race are on the steady increase. Gibbon wrote those words in 1780. In the seven score years that have passed since then, what ghosts of murdered idealisms have risen to vex our feast—September Massacres, Poland, Tilsit, Peterloo, Novara, Manassas, Gastein, the Congo, Phoenix Park, Tripoli, Homestead, Spion Kop, the *Lusitania,* Brest-Litovsk, Versailles! Not yet can we know whether our age is rising to the crest or sinking to the trough in the ceaseless roll of the waves of human history. Or, to use Mr. Wells's own simile, "Like its predecessor, our present civilization may be no more than one of those crops which farmers sow to improve their land by the fixation of nitrogen from the air. It may have grown only that, accumulating certain traditions, it may be ploughed into the soil again for better things to follow. Such questions are the practical realities of history, and in all that follows we shall find them becoming clearer and more important until in our last chapter we shall end, as all our days and years end, with a recapitulation of our hopes and fears—and a note of interrogation" (II, p. 158).

We can take little comfort, then, from the actual course of history. It is a record of shattered hopes, of swiftly-clouded dawns. Noble religions arose only to be debased forthwith; the intellectual freedom of the Greeks was enslaved by the pedantry of Alexandria; the universal Roman state was "a colossally ignorant and unimaginative empire", vitiated by its total failure to educate its citizens politically or culturally, a veritable Neanderthal civilization whose incuriousness was "more massive and monumental even than its architecture" (I, p. 532). The ten centuries and more from Augustine to Martin Luther were "very largely the history of the failure of the great idea of a divine world government to realize itself in practice" (I, p. 605). The Machiavellian monarchies which rose on the ruins of the Holy Roman Empire have obsessed the imagination of Europe and Western Asia with a mythology of the "Powers", and filled Christendom with the turmoil of their hates and conflicts, which will "seem to some future generation as reasonless and insane as those dead, now incomprehensible feuds of the *greens* and *blues* that once filled the streets of Byzantium with shouting and bloodshed" (II, p. 247). This period of nationalism Mr. Wells calls an "Age of Confusion", an "interregnum". "We are living in it today: it may be drawing to its close; we cannot yet tell" (II, p. 216).

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The Marquise du Châtelet said that she "could not overcome the disgust with which all modern history since the fall of the Roman Empire inspired her". For Mr. Wells the political history of Europe is not more edifying: "Europe during those eleven centuries of the imitation Caesars which began with Charlemagne and which closed only in the monstrous bloodshed of 1914-1918 has been like a busy factory owned by a somnambulist, who is sometimes quite unimportant and sometimes disastrously in the way" (II, p. 56). Recalling Sir Harry Johnston's description of the Neanderthal man as "a shambling, hairy, brutish, but probably very cunning creature with a big brain *behind*", Mr. Wells says that we must still use similar terms to describe the soul of a politician. The statesman has "still to oust the politician from his lair and weapon heaps". "History has still to become a record of human dignity" (II, p. 496).

Yet out of the carcass Mr. Wells brings honey. The "note of interrogation" with which he concludes his historical survey changes into a note of triumph as he moves on to the more congenial and familiar ground of prophecy. Near the close of his work Mr. Wells "apes Roger Bacon in his prophetic mood", and lays down what he calls "the broad fundamentals of the coming world-state of the community of will" (II, p. 586). It is to be a state based on religion, but on no particular religion—"religion pure and undefiled"; a state in which the whole race and not merely classes and peoples will be educated; a state without armies or navies, wealthy or poor, drudges or idlers, foreign offices or crooked elections. Every vestige of nationalistic monarchy will be swept out of the world, and the skies will be "clear again for the great peace of the federation of mankind" (II, p. 243). "For only the spiritlessness of our present depression blinds us to the clear intimation of our reason that in the course of a few generations every little country town could become an Athens, every human being could be gentle in breeding and healthy in body and mind, the whole solid earth man's mine and its uttermost regions his playground" (II, p. 590). It is for these pages that the book has been written, and by the author's confession, it "has been ill-written if it has failed to convey our conviction of the character of the state towards which our world is moving" (II, p. 586).

Without the slightest wish to play the *advocatus diaboli,* we may ask whether Mr. Wells's conclusions are contained in his premises. Does the Outline of History as he presents it prefigure an earthly

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millennium? To answer this question in the affirmative we should have to see history as an evolution toward Utopia. The last state of man should be demonstrably the best. Those great desiderata of universal education, world peace, a universal kingdom of righteousness, government by the free and enlightened expression of the common will, which Mr. Wells lays down as the foundations of his new state, should appear at least in outline, arising from the wreck of the old, implicit in history. Instead, they are summoned as gods of the machine. The history of the ages is not so much their harbinger as their foil. They are prophesied and posited all through the book, in discrete, compensatory propositions, and not evolved from the story. And this, I believe, is due to certain capital faults in Mr. Wells's conception of history, which cannot be redeemed even by the conspicuous qualities of industry, fertility, brilliance and comprehensiveness which appear in the work.

Mr. Wells deals too much with characters. He not only makes history read like a novel (which is a rare art), but he constructs history like a novel. History is for him a succession of *situations* centering in the qualities and fortunes of prominent men. The wise counsel of Lord Acton to play no favorites in history, nor to wonder overmuch when an idol falls or a skeleton is uncovered, Mr. Wells ignores. He revels in personalities, often descending to gossip and trivialities about Cato's slaves or Charles V's menus or Gladstone's complexion and fine baritone voice. The significance of Hellenism escapes him in his absorption in Alexander's dissipations. Such fundamental aspects of the Napoleonic era as the dissemination of Revolutionary principles or the economic world disturbance caused by the "Continental System" are left to one side while we are regaled with details of the vanity, vulgarity and vacuity of the Corsican upstart. For the evolution of institutions, for the tremendous hold on peoples and states of traditions rooted centuries deep, for the social and political systems whose slow modifications make the history of civilization, Mr. Wells has little sympathy. Why couldn't the Alexandrians have discovered printing—it is such a simple device! Why didn't the stupid Romans have a *bona fide* parliament and honest elections! Why all the "diplomatic fussing, posturing and scheming, all the intrigues and bloodshed . . . all the monstrous turmoil and waste of kings and armies, all the wonderful attitudes, deeds, schemes of the Cavours, Bismarcks, Disraelis, Bonapartes and the like 'great men', when they might very well have been avoided altogether had Europe but had the sense to instruct a

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small body of ordinarily honest ethnologists, geographers and sociologists to draw out its proper boundaries and prescribe suitable forms of government in a reasonable manner!" (II, p. 449). So simple! Even Mr. Wells alone can do it. He "draws out" the "natural political map of Europe" (II, p. 383), with Latins, Teutons, Slavs, Greeks, Magyars, Turks all in their proper confines, where they should have been put and kept long ago—by a "small body of ordinarily honest ethnologists". Yet Woodrow Wilson has been called rashly idealistic for certain propensities toward map-making in Europe.

As for nationalism, it is a species of "megalomania": "We may suggest", says Mr. Wells, "that a nation is in effect any assembly, mixture, or confusion of people which is either afflicted by or wishes to be afflicted by a foreign office of its own, in order that it should behave collectively as if it alone constituted humanity" (II, p. 433). "Those strange beings" England, France or Germany are the modern idols that have replaced Bel and Dagon, and a man had better not jeer at them if he prizes his life (II, p. 246). Foreign ministers, "statesmen" and politicians have learned nothing since the beginning. They were still in the nineteenth century "no more than a number of troublesome and occasionally incendiary schoolboys—and a few mental thieves—playing about and doing transitory mischief amid the accumulated materials upon the site of a great building whose nature they did not understand" (II, p. 385). There is much more to the same purpose, but it is neither sane nor edifying. We can hardly avoid the conclusion that as a historian Mr. Wells has "run amuck" here. It almost justifies the summary of his position by a recent reviewer: "I kick from my feet the footstool Earth and soar into the illimitable inane!"

My title is not an oxymoron. Utopianism *is* pessimism in history. It is a counsel of despair, a refuge of the imagination, a renunciation of the challenge of the actual. The final impression which the *Outline of History* makes on me is that Mr. Wells doesn't really care much about history: it has all been so futile! He is interested in the millennium, and he uses the story of human history, as Orosius did fifteen centuries ago, to furnish instances of the folly of mankind. The steeds of his imagination have broken the traces and left the chariot stranded.

DAVID SAVILLE MUZZEY.

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REVIEWS

History of Modern France, 1815-1913. By ÉMILE BOURGEOIS. Cambridge, Cambridge University Press, 1919. — Two volumes: xiv, 436; vii, 416 pp.

It is remarkable that schools of narrowly political historians still flourish both in England and in France, and apparently with undiminished vigor. In both countries more research and writing has been done in the field of social and economic history than in the United States, but it has been done by economists or by "social historians" who have seldom concerned themselves with politics. In the United States there is at present a growing number of scholars who view all sorts of governmental action and development — domestic and international—in their social setting, who relate politics to economics, and who, whether they call themselves "historians" or "economists" or "sociologists", treat synthetically currents or cross-sections in all the political and social sciences. In other words, academic fences are lower in the United States than in France or England.

If an American historian were writing a detailed history of France in the nineteenth century, he would certainly narrate the chief political happenings of the Restoration, the July Monarchy, the Second Republic, the Second Empire and the Third Republic, but he would likewise, in all probability, tell something of the social classes among the French people during these political eras, of the relative importance of agriculture and manufacturing, of the improvement of communications, of the growth of banking, and of the development of economic doctrines and political theories alongside of political parties and groups; and, in addition, he might even describe the parallel activities of French artists and *littérateurs,* of French educators and priests. In France, however, a "historian" would not venture far beyond the narration of political happenings; the rest he would renounce in favor of the "economist", the "social historian", and the professor of "literature", each of whom would proceed to contract his respective legacy and to build his fences high and secure. And the same would be the case in England.

Professor G. W. Prothero, for example, has not been satisfied to let the twelve heavy volumes of the *Cambridge Modern History*

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stand as the final great monument to the industry and limited vision of the hedged and fenced "historians". He has had to go on editing an elaborate *Cambridge Historical Series,* detailing in volume after volume the history of each European country, with that of its chief colonies and conquests, from about the end of the fifteenth century down to the present. The whole series, like the *Cambridge History* itself, is characterized as much by the wealth of statements of political fact as by the poverty of explanation and interpretation of such fact.

Some of the best chapters of their kind in the last three volumes of the *Cambridge Modern History* are those on France in the nineteenth century by M. Émile Bourgeois, professor of history in the University of Paris and in the École des Sciences Politiques. It is Professor Bourgeois who now cultivates the same field and prepares a second crop of political facts, this time for the *Cambridge Historical Series.*

The resulting two volumes are the last word in the political history of nineteenth-century France. Facts bristle on every page, but invariably they are political facts: they are marshaled in conventional order under the Restoration, the ministry of Villèle, the reign of Charles X, the monarchy of Louis Philippe (five chapters), the Second Republic (three chapters), the Second Empire (four chapters), and the Third Republic (two chapters). International diplomacy is treated with considerable fullness, and all the parliaments, premiers and presidents are duly noticed and chronicled. Occasionally there is a sentence about literature (as when Victor Hugo assails Napoleon III) or about education (as when Guizot presents an educational bill to the Chambers), but education and literature—and even religion—are always made strictly subsidiary to politics. Tariffs, and fiscal policy generally, are not made subsidiary; being "economic" they are not mentioned at all. Even in the restricted domain of "politics", M. Bourgeois does not fulfil the promise which Professor Prothero makes in the prefatory note, that the work will trace the "lines of the remarkable political evolution through which France has been able to realize the principles and to establish the institutions of democracy — an evolution retarded at one time by the worshippers of the *Ancien Régime,* at another by the devotees of Napoleonism, and still more by the difficulty of reconciling individual liberty and social progress with the administrative centralization dear to a people as much in love with order as with liberty". What M. Bourgeois does, is to state in detail the provi-

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sions of the several French constitutions of the nineteenth century and to tell much of the political activities of Monarchists and Bonapartists and Republicans. What he does not do, is to trace any "evolution". His political history is static, not dynamic.

To the person who desires to know what happened in French politics during the century preceding the Great War, the two volumes of M. Bourgeois can be recommended as trustworthy and even interesting. They are provided with convenient maps, bibliographies, and indices. But the person who wishes to discover why French politics took the curious turns they did, and how they were related to the larger industrial and intellectual life of France, will find a sphinxlike attitude on the part of M Bourgeois. Perhaps he knows, but he won't tell.

CARLTON J. H. HAYES.

Gambetta. By PAUL DESCHANEL. New York, Dodd, Mead and Company, 1920.—viii, 336 pp.

This biography first appeared appropriately at the time of the signing of the Treaty of Versailles and was translated into English while its author was serving his brief term as President of the French Republic. It is a eulogy of the patriot who in the ill-fated war of 1870-1871 personified French resistance to Germany and a graceful tribute to the statesman who introduced M. Deschanel himself to politics. But it is more than tribute and more than eulogy. It is good history and good literature. It is what a good biography should be.

It is brief but informing. It is clear and straightforward. It is at once sympathetic and critical. And in its preparation the author appears to have consulted all published works on Gambetta and to have made special use of parliamentary papers and of much unpublished correspondence, particularly letters written by Gambetta to Ranc, Barthélemy and Ruiz.

Only a few pages are devoted to Gambetta's early life and parliamentary career prior to 1870. The bulk of the book is divided into three approximately equal parts: the first, Gambetta's work as member of the Government of National Defense; the second, his achievements as deputy in the National Assembly from 1871 to 1875; the third, his rather hectic efforts as politician and premier between 1876 and his untimely death in 1882. The first part is in many respects the best: it throws some new light on the difficulties

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which confronted Gambetta in those anxious winter months of 1870-1871 and, by admitting the general fallibility and some specific mistakes of the Provisional Minister of War and the Interior, it brings out in bold relief his truly heroic character.

Gambetta stands forth in this biography not essentially unlike the Gambetta of our college text-books. He is the same fiery, magnetic personality. He is the same practical politician, always compromising and always opportunist. He is the same devotee of democracy and science. Above all, he is the patriot, the republican, and the militarist. M. Deschanel emphasizes the fact that Gambetta was a great admirer of Richelieu and Mirabeau, having the same conception of government and the same taste for diplomacy, and that he liked neither Rousseau nor Robespierre. Over him Auguste Comte exercised an ever-increasing influence—Comte, who would have sacrificed progress to order, and hated instability and desired a strong central authority; who preached the glorification of science and the necessity of depending upon reason.

Writing when his countrymen were again fighting the Germans and when for the first time in generations they were maintaining the *union sacrée* of all domestic parties and factions, M. Deschanel occasionally goes out of his way to represent Gambetta as the heroic symbol of all Frenchmen. He minimizes Gambetta's anti-clericalism and likewise his anti-socialism. He dwells upon Gambetta's description of himself as "a worshipper at the shrine of Joan the Maid and an admirer and disciple of Voltaire" and speaks of him as dreaming "of coming to terms with Leo XIII, as he had come to terms with the Orleanists in order to make the Republic, as he had come to terms with the more old-fashioned Republicans in order to make them accept the Senate, and as he had come to terms with the Legitimists, and even the Bonapartists, in order to eject the Orleanists from the permanent Senatorial seats". But Gambetta's persistent speeches against clericalism and his savage attacks upon clericals are soft-pedaled or ignored. For a like purpose, we suppose, M. Deschanel has strained Gambetta's utterances in order to find some assurance of his interest in the social and economic problems of the workingmen. The only definite result is to show that Gambetta hoped "all classes of society" would share in "the benefits of civilization and science".

More clearly than ever before, Gambetta is depicted by M. Deschanel as typical of the bourgeois leaders of the Third French Republic: the champion of popular sovereignty and of the strongly

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centralized state; the apostle of "science", radical in religion but conservative in economics; the spokesman for the middle class and the adversary of the aristocracy, the clergy, and the proletariat; the promoter of business interests and business prosperity; the staunch advocate of militarism, secret diplomacy, and imperialism; and as an orator "a volcano that belched forth slag and turbid smoke together with burning lava".

From hitherto unpublished correspondence of the years 1876-1877, it now appears that Gambetta made a curiously accurate forecast of the Great War, that sooner or later Europe was certain to be set ablaze, that Germany and Austria would be allied, that Turkey would probably reach an understanding with Austria, that, on the other side, an alliance would inevitably be formed between France, England and Russia, that the Latin peoples would be welded with the Slavs, and that perhaps the solution of the Franco-German quarrel would come to depend upon the Eastern Question. In this connection, it is not without interest that in 1874 Gambetta assailed the principle of nationality and declared his preference for "the European balance as conceived by diplomatists, at the end of the eighteenth century, before the Revolution". Gambetta was ahead of his time about war; about diplomacy, however, he belonged not with Woodrow Wilson but with Richelieu—and Clemenceau.

CARLTON J. H. HAYES.

French Foreign Policy, 1898-1914. By GRAHAM H. STUART. New York, The Century Company, 1921.—xi, 399 pp.

The author of this monograph is an instructor in the School of Political Science at Wisconsin University. Thanks to his studies in the École Libre des Sciences Politiques and to his residence in Paris during the years 1911 and 1913, he was well qualified for his chosen task. Although he has worked over well-tilled ground, he has nevertheless rendered a real service in succinctly setting forth in a single volume the salient features of French policy during the critical period preceding the outbreak of the Great War. In a sense he has done more, for during the period under review the foreign policy of France was so completely intertwined with the foreign policy of the several European states that he has necessarily given a fairly comprehensive picture of the meshwork of European diplomacy from Fashoda to Serajevo.

Equally important are the brief glimpses he gives of the real

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content of modern diplomacy: the ambitions and rivalries of tradesmen, stock-jobbers, capitalists, adventurers and concession-hunters, and the resulting "arenas of friction", national jealousies and hatreds, "deals", ententes, and alliances. For instance, well might Abdul Aziz, the former Sultan of Morocco, pathetically complain:

> They have accused me of buying hundreds of objects of which I have no need but how did I know . . . ? When I wished a piano they told me pianos sold by the dozen and I got a dozen. Automobiles, according to my informers, were also sold by the dozen and bicycles by the hundred. The merchants leagued with my ministers have exploited me shamelessly. . . .

Dr. Stuart's comment (p. 140) is to the point: "Miniature railways, captive balloons, Steinway grands, cost money, and while the Berbers and Moors were paying the bills, a Scottish adventurer, MacLean, who had become the Sultan's chief adviser, was becoming rich and powerful."

Of the twelve chapters constituting the book, the first gives a brief account of the international position of France in 1898; the next four are devoted to the efforts of M. Delcassé in preparing the European stage for the formation of the Triple Entente; chapters six to eleven portray the conflicting interests of the European Powers in Morocco and the incidents which led to the recurring crises in that imperialistic storm center. The concluding chapter, "Towards World War", pictures the feverish and unprecedented preparations for the impending storm which hung so ominously on the horizon during the eventful years 1912-1914. The author has presented his material in a sane, vigorous and critical manner; while he has made good use of source material including the secret documents disclosed as a result of the recent European revolutions, he has, nevertheless, quoted extensively from secondary sources for expressions of contemporary opinion.

France, in the judgment of Dr. Stuart, owes her present paramount position in Europe to the "strong friendships which she made and retained in the decade immediately preceding the Great War" (p. 140). To that extent he believes her foreign policy may be regarded as "brilliantly successful", although this success was "obtained in spite of the wishes of many representative French politicians rather than by the consistent efforts of a united majority". He is not unmindful, however, that French diplomacy as an integral part of the diplomacy of the Entente, was in large measure a reaction against the diplomacy of the Central Powers. The two

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"greatest faults" of French foreign policy in his opinion appear to be the "inability of the French Foreign Office to divorce itself from the influence of purely domestic questions, and the complete impotence of the President in matters of foreign policy, although his position is particularly suited to exercise a beneficial influence in matters of diplomacy and foreign relations".

All things considered, the author has written without bias and he who would read this volume in search of either glorification or condemnation will be disappointed until he reaches the concluding statement to the effect that French foreign policy, despite its apparent instability and inconsistencies, is "like the French government, *'plus ça change plus c'est la même chose'*—it is rooted in right and faces the stars, often an opportunist on the surface it is ever a knight-errant in its soul, and ultimately proves itself worthy of *la France éternelle*". If French foreign policy has become sanctified or even reformed, the transformation has escaped the notice of the reviewer.

The volume is remarkably free from typographical errors. It is equipped with a well-arranged bibliography and a satisfactory index. To the general reader as well as to the student of history and diplomacy it will prove illuminating and instructive.

HARRY J. CARMAN.

COLUMBIA UNIVERSITY.

The Evolution of Parliament. By A. F. POLLARD. London and New York ,Longmans, Green and Company, 1920.—xi, 398 pp.

Professor Pollard is known to students of history as a specialist in the Tudor period and a promoter of historical research, and to a wider public as a writer of stimulating essays on political and other subjects of general interest. His latest volume, an expansion of lectures delivered in London in 1913 and at Cornell University and elsewhere in the United States during the following year, is rather a series of essays on various phases of the history of Parliament than a systematic account of its development. Most of the eighteen chapters into which it is divided deal, wholly or principally, with the centuries before the seventeenth, and in them the author, besides supplementing the work of other scholars, makes important contributions of his own to the literature of parliamentary history; his consideration of later times yields little of value from the point of view of scholarship.

Mr. Pollard has succeeded beyond question in his effort to em-

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phasize "the elastic nature of Parliament" (p. 359). The most vivid general impression that his readers will form is the impression of change. "Parliament is not bound up with any political theory or any transient constitution; it has been the tool of monarchs, of oligarchs, and of democrats; it has been the means of opposition as well as the instrument of government, the preventive of revolution as well as the promoter of reform" (p. 3). When Mr. Pollard takes issue with those radical critics of Parliament who proclaim that there is no health in it and that its days are numbered, he does so not because he holds it to be perfect in its present form, not as one resisting all change, like the Duke of Wellington on the eve of the first Reform Act, but because he has faith that an institution which has been so flexible in the past will prove itself adaptable to the swiftly changing conditions and needs of the present and the future (pp. 2-3, 352, 359-361).

It is regrettable, however, that to Mr. Pollard, as to other "evolutionary" historians, the word "evolution" seems to suggest the processes of biological evolution only. He does, indeed, recognize that there are perils in applying the analogies of physical science to the development of political institutions (p. 25), but too often he runs past his own danger signal (e. g., pp. 3, 45, 120, 239). "Governments, like clocks, go from the motion men give them", William Penn sagely observed long ago. To forget men and explain institutional development in terms of "protoplasm", "organism", "struggle for predominance" and the like, is to create an atmosphere of pseudo-science that serves no useful purpose. It is significant that Mr. Pollard has more to say of men and less of "growth" when he is dealing with the century he knows best—the sixteenth—than when he "trespasses", to use his own word, on earlier times.

In his discussion of the origin of Parliament (chapters II and III) Mr. Pollard supplements the treatment of that subject to be found in Maitland's Introduction to the *Memoranda de Parliamento* and Professor McIlwain's *High Court of Parliament*. Stubbs knew that the early "rolls" of Parliament, which begin in 1278, record the proceedings not of the assemblies of magnates and popular representatives summoned to give consent to taxation, but of sessions of the king's council held for judicial purposes, and he called such meetings "special" parliaments to distinguish them from general parliaments of "the estates of the realm". Nearly thirty years ago, however, Maitland pointed out that in 1305 a meeting of the council alone, without the presence of prelates, barons and popular

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representatives, was not only a Parliament but a *plenum parliamentum*. Our earliest definition of Parliament, dating from the reign of Edward I or Edward II, runs: *habet enim rex curiam suam in consilio suo in parliamentis suis*. "The earliest form of Parliament is a parley of the council" (p. 31). The principal function of these "parleys" was judicial, not financial, as was the case with the assemblies of the "estates", their proceedings were recorded in "rolls", the characteristic records of courts, and they dealt principally with *petitiones* and *placita*. The chroniclers, however, to the dire confusion of constitutional historians of later ages, used the word *parliamentum* to describe assemblies of the magnates, whether comprising elected knights and burgesses or not, summoned to grant taxes. Such assemblies were for a time quite distinct from the parliaments of the "rolls"; they were summoned by different methods, met at different times, and performed different functions. During the last half of the reign of Edward I a process of amalgamation began; the two assemblies came to be summoned to the same place and at the same time, and joint sessions were held for certain purposes. The first evidence of a simultaneous session is in 1298, and in 1300, for the first time, the magnates and representatives were summoned *ad parliamentum*, instead of to a *colloquium* or a *tractatum*, as before. Throughout Edward's reign it is a session of the king's council, not an assembly of the "estates", that constitutes a Parliament; in 1305 the king takes action *in pleno parliamento* in a meeting from which all but himself and the members of his council have departed. According to Stubbs, Parliament in its formative period consisted of the three estates, and in addition, as attendants of the king, the justices and other members of his council. The evidence adduced by Maitland, Mr. McIlwain and Mr. Pollard forces us to reverse the order. Parliament consisted of the king and his council, with the addition, at times and for certain purposes, of the prelates, earls, barons, knights of the shire and burgesses.

The fusion of the judicial parliaments of the "rolls" with the assemblies of the "estates" Mr. Pollard regards as the distinctive characteristic of the English constitution. "It was to a high court of law and justice that the taxing and representative factors of parliament were wedded; and it was this union that gave the English Parliament its strength. Its absence, the divorce between French *parlements* and estates, was fatal to orderly constitutional development in France" (p. 43). As late as the reign of Henry VII,

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"half the time of Parliament was occupied with purely judicial functions; they were discharged by Parliament centuries afterwards in passing acts of attainder and indemnity, and are still performed by the House of Lords, which exercises them solely because it is a branch of the high court of Parliament" (pp. 61-62). Not till the middle ages had almost run their course and a jealous peerage developed did the lords succeed in usurping the place of the council and reducing councilors who were not peers to the level of assistants (chapter XIV). As late as 1539 a statute prescribed places in the House of Lords for councilors, whether they were peers or not, and even today the chancellor presides over the House of Lords not because he is a peer — before the eighteenth-century chancellors were often not peers—but because he is a councilor.

Perhaps the most original chapter in the book is that in which the author dissents wholly from the generally accepted view that Parliament in the middle ages was based on a system of three estates. The Church, the so-called "first estate", was represented in Parliament, at least after Edward II, only by the bishops, some abbots and a few priors, and they were summoned, Mr. Pollard contends, not as churchmen but as barons. The lesser tenants-in-chief, who must be regarded, on the estates theory, as members of the "second estate" (the nobility), were represented in Parliament in the House of Commons, the "third estate" according to the prevalent theory but not in fact, since the knights of the shire, its most important element in the middle ages, were tenants-in-chief and as such should have been represented in the "second estate". Moreover, social and legal conditions in the thirteenth and fourteenth centuries were incompatible, the author argues, with a system of three estates. The only description we have of Parliament in the fourteenth century says nothing of such a system, nor does it receive any support from the "rolls" of Parliament. The first official reference to Parliament as composed of three estates occurs in 1421, and Mr. Pollard's explanation of it is ingenious. The Treaty of Troyes had just been concluded with France, to be sworn to by the three estates of both kingdoms; in France there really were three estates, "and the advantages of uniformity suggested the employment of identical phraseology when the treaty was sent over to England for confirmation" (p. 70). The subsequent use of this exotic expression was fostered by the contact between the French and English governments, but it never correctly described the basis of the English Parliament.

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It is impossible here to attempt even a summary of *The Evolution of Parliament*. The book has its defects. It is sometimes diffuse and repetitious; we are informed at least five times that the Commons' journals begin in 1547 (pp. 113, 126, 322, 325, 326). It contains some inconsistencies and contradictions (e. g., pp. 12, 17, 347; 219, 241). In places it is unnecessarily confusing in the arrangement of material. Occasionally its scholarly tone is smothered by a blare of patriotism, which proclaims to us that the author, in spite of all temptations to belong to other nations, remains an Englishman (especially chapter XII). And the last two chapters suggest, to the reviewer at least, that the historian embarks on a precarious venture when he turns homilist, controversialist and futurist. But to the faults of a book that is as informing and suggestive as this we should be a little blind. No student of English constitutional history can afford to neglect what Mr. Pollard has written.

R. L. SCHUYLER.

The Life of Benjamin Disraeli, 1804-1881. By WILLIAM FLAVELLE MONYPENNY and GEORGE EARLE BUCKLE. New York, The Macmillan Company, 1910-1920. Six volumes: I, ix, 401 pp.; II, ix, 421 pp.; III, ix, 591 pp.; IV, x, 610 pp.; V, xii, 558 pp.; VI, iv, 712 pp.

With the publication in 1920 of volumes V and VI, Mr. George E. Buckle has at last brought to a close the colossal biography of Earl Beaconsfield, the first volume of which was published in 1910. Two volumes, covering the years from 1804 to 1846, were written by Mr. William Flavelle Monypenny, and before his death he had also collected most of the material for the third volume. The choice of Mr. Monypenny to write the life of Disraeli, at the time it was announced, caused considerable surprise in England. His literary experience was limited to the editorship of the Johannesburg *Star* and sundry contributions to the London *Spectator*. His military experience as an officer in the Imperial Light Horse, and subsequently as Director of Civil Supplies during the Boer war, was not especially calculated to fit him to deal with English nineteenth-century political biography. Nevertheless he succeeded in making a very interesting story of the early years of Benjamin Disraeli's life, and in giving a vivid picture of the young Jew in his days of precarious political and journalistic adventure.

After Mr. Monypenny's death, the choice of the trustees of Bea-

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consfield's papers fell upon Mr. Buckle, probably for the reason that it might reasonably be expected that Mr. Buckle would carry out the history in a form harmonious with its beginning. Mr. Buckle, like Mr. Monypenny, was a journalist. Mr. Monypenny was a director of the *Times* Publishing Company while Mr. Buckle was editor of that historic paper. Both were Conservatives, and both sympathetic with the political ideals of the man whose life they were called upon to write. The fact that the biography is the work of two men who were journalists rather than historical students must, however, be kept in mind as an explanation of certain salient characteristics which will prevent the book from ever ranking as a classic or as the final account of the most interesting statesman of the nineteenth century.

The first of these characteristics is the length of the biography. Six volumes are more than the modern world desires of even the most eminent among the makers of history, and Disraeli's terms of office were short indeed until his second premiership, which lasted from February 21, 1874, to April 28, 1880. Previous to that, he had been premier for about nine months in 1868 and three times—in 1852, in 1858-9, and again in 1866-8 — he had held the office of Chancellor of the Exchequer under Lord Derby as Premier. During his administration from 1874 to 1880, Beaconsfield undoubtedly made a deep impress on the history of Europe. He raised the status and credit of Great Britain among the nations and he formulated the theory of Empire, which, rejected for a time by Gladstone, gradually became the accepted ideal not only of Great Britain herself, but of the British Dominions and the Empire as a whole.

The story of the rise of this semi-foreigner into the highest position in the country, of his entrance into the House of Lords and his acceptance as an equal and a superior by the greatest aristocrats in the land, has its interest and allurement. The working-out of his ideas concerning the government of the country internally and the preserving of British influence in the councils of Europe is worth careful study. But the whole of what is important in these six volumes could easily have been condensed into one-third of the space which has been devoted to the life, and a biography written with the restraint and the admirable power of selection shown by Mr. G. M. Trevelyan in his life of Lord Grey of the Reform Bill would have commanded a more permanent place in the political literature of the nineteenth century.

A second characteristic of the biography which may perhaps be attributed to the journalistic tendencies of its authors is the contro-

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versial attitude maintained throughout the story. Although it is now forty years since the death of Beaconsfield, there is no indication that time has put new values on the old political contentions. In the last volume Mr. Buckle champions Beaconsfield against Gladstone just as newspapers of the day took up the cudgels for the Conservative Party against the Liberals. It is true that Beaconsfield's own letters and diaries were full of his keen antagonism toward his rival and of the deep distrust with which he regarded all Gladstone's speeches and policies. But it was unnecessary for the biographer to share this spirit and to show none of the wisdom and comprehension that time would undoubtedly have brought to both Gladstone and Beaconsfield had they lived through the Great War.

For the student of British government, the life of Beaconsfield throws new light on the gradual development of constitutional monarchy, as this went on through the reign of Queen Victoria. With no Prime Minister, not even excepting Lord Melbourne, who guided her girlish footsteps in the first years of her reign, was Queen Victoria on closer terms of confidence and friendship than she was with Lord Beaconsfield. There was a vast difference between the young, inexperienced and ignorant girl of 1837 and the sovereign of 1874, who had closely watched every political development at home and abroad for nearly forty years. Beaconsfield appreciated, as Gladstone certainly did not, that the Queen had a wider outlook politically than was possessed by any of her ministers. He valued her advice and sought her opinion, while he rigidly held to his own constitutional position as her responsible minister on whom rested the duty of making all political decisions. Even Gladstone himself can hardly have realized how difficult it was for Queen Victoria to accept him as Beaconfield's successor, and Gladstone never filled in the life of Queen Victoria anything like the place occupied from 1874 until his death by Lord Beaconsfield. Beaconsfield's relations with the Queen and the light that these throw on the British political system, rank only second to his conception of the place that England ought to hold among the great powers as the subject of greatest interest in the last two volumes of the biography. For the sake of these important threads in British political development, the reader can be induced to pardon the unnecessary detail concerning the sufferings of the premier from gout and asthma, and also the prolix accounts of his relations with various great ladies whose friendship he enjoyed and greatly prized. These details give the human Beaconsfield, but a deft hand could have supplied this intimate touch without spread-

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ing it out over page after page in a manner which is nearly as wearisome as the description of his dress and foppishness proved to be in the earlier volumes. With these faults fully noted, and with the proviso that the whole of the biography must be considered as special pleading of an advocate rather than the well-considered verdict of history, it can still be said that the life of Beaconsfield supplies in an extraordinary degree the insatiable demand of English readers, whatever their political views, for information about the Jew who rose from obscurity to the highest post in the Empire, and who, from being considered a bombastic fool, became the trusted leader of the aristocratic Conservative Party.

ANNIE G. PORRITT.

HARTFORD, CONNECTICUT.

Connecticut in Transition, 1775-1818. By RICHARD J. PURCELL. Washington, American Historical Association, 1918.—x, 471 pp.

The American history that "every schoolboy knows" is the history of Congress and the presidents with some attention to the generals and a paragraph or two on the opening of the West. In the rewriting of colonial annals the common features are not stressed sufficiently; each government is treated in its own air-tight compartment. But after 1776, or at least 1789, according to the textbooks, all attention is suddenly refocused, first on Philadelphia for a few years and then for all time on the District of Columbia. What an unnatural appearance of unity this gives American history, and how shamefully are sacrificed the elements of greatest interest! Education, crime and punishment, the organization and control of business, the suffrage, and other concerns of every individual are matters of state legislation; even the tariff, in the close view, is, as General Hancock said it was, a local issue. So a book like Dr. Purcell's *Connecticut in Transition,* which actually sets forth in order and completeness how a state community forsook the eighteenth century and took on the ways of modern times, is doubly welcome for itself and for its kind.

It is an excellent book. The author begins by carefully tracing the rise of that "baneful contagion", religious infidelity, though like President Dwight he seems a little too certain that it always went with profanity, drunkenness, night-walking and chicanery. Like A. E. Morse in his *Federalist Party in Massachusetts,* he shows how the Congregational clergy, after reading bulletins of Jacobin

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excess in Paris, went into politics to save religion, and how they were somewhat disappointed that Jefferson behaved himself so well as President. The religious question was so overwhelmingly important in Connecticut in the days before the constitution of 1818, that the author shows good judgment in devoting much space to the rise of "the sects": Anglicanism, which was especially bewildering because its adherents were respectable, and the humble democratic Methodists, Baptists, and the few odd-minded Universalists. A detailed map shows the churches of each denomination in each town. "Dissent could not be said to be sectional, though the river towns and those bordering New York and Rhode Island might be described as centers." But orthodoxy and dissent were the deep foundation of party politics in old Connecticut, for the question of continuing a church establishment was political in character.

The economic evolution of the community was fairly rapid after Hamilton and others had made creditors secure, but Dr. Purcell shows how the Federalist political leaders favored their supporters in granting charters for banks and other corporations. In his section on the shipping and carrying trade he of course gives illustrations of how the "dambargo" embittered the hatred toward Jefferson. The accumulation of capital and the introduction of Merino sheep contributed to the development of manufacturing, which Republicans regarded with patriotic approbation while Federalists deplored the neglect of commerce. These changes were not partisan affairs, but they raised issues which became the stuff of party politics. Emigration to the west was welcomed by President Dwight and other stout defenders of the old order as it cleansed the state of the discontented, but others saw that manufactures and better agriculture must be built up to meet this western competition for men, and wealthy Federalists as well as poor Republicans came to see their need.

Now these are not mere generalizations which the author ventures by the way, but are conclusions reached after a review of evidence. And this evidence has been gathered by the widest search. The notes display the wealth of materials in pamphlets, newspapers, laws, sermons, memoirs and travelers' accounts which the author has found and used, as well as monographs of a most varied character. He touches nothing that he does not thoroughly examine. For example, his treatment of agriculture and sheep-farming is as full and careful as a space of fifteen pages could possibly contain. The book has little of what is called literary charm, but the reader is constantly delighted with the clarity with which the facts he wants to

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know are presented. The portrait of General David Humphreys, the Federalist patron of new useful arts, shows what can be done with such facts.

He gives a clear description of the working government, which in spite of semi-annual elections lent itself to the control of a group, honest and reasonably efficient, but rigidly exclusive. "Hardly two per cent of the population voted". The powerful influence of the established clergy and the scheme of preferred nominations to the council made hard the pathway of Republicans, but by entering the assembly with an Episcopalian now and then, their protest against the establishment became more formidable. There is an interesting chapter on how Abraham Bishop and Elder Leland organized the opposition in the later nineties, for "anti-federalism cannot be described as the forerunner of Republicanism" in Connecticut. They argued for the extension of the suffrage franchise, but their masterstroke was raising as an issue the demand for a constitution founded on the people's will, and upon this issue contests were fought out for eighteen years, the standing order gradually weakening before attack. Here appear the state manager, the county leaders and the systematic canvass of all voters, with increased attendance at the polls. But the Federalists also had their organization, which consisted of the public officers, and "every parish had a 'standing agent', whose anathemas were said to convince the voting deacons. Military officers, state's attorneys, lawyers, professors and school teachers were in the van of the conscript army." The effect of the Hartford Convention is traced in the success of the "Tolerationists", as the dissenters or Republicans came to be called, in electing a lieutenant governor in 1816. Here follows a chapter on the final campaign for a constitutional convention, its meeting and its work.

Dr. Purcell has written a book representing a significant trend of interest in American history. It supplements with more intensive study a recent Yale dissertation, W. A. Robinson's *Jeffersonian Democracy in New England*. It suggests, too, the sort of treatment found in certain chapters of the new centennial history of Illinois. The author is a sound and able scholar, with a sense of proportion and an individual style. With the exception of some carelessness in proofreading, the work is well presented in format.

DIXON RYAN FOX.

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Real Democracy in Operation: The Example of Switzerland. By FELIX BONJOUR. New York, Frederick A. Stokes Company, 1920.—viii, 226 pp.

Notwithstanding interesting experiments in the United States and other lands, students of the comparative workings of direct government and representative institutions still turn instinctively to Switzerland for their fullest and most intelligible data. Therein they do wisely, considering that hardly a year passes in which one canton or another, or the federation itself, does not yield new and instructive information on the initiative, the referendum, proportional representation, and the primary assembly as a law-making and electoral authority. The fallacy of assuming that these devices will work in other lands as they work in Switzerland is now better understood than formerly. But only profit can come from a clear perception of how they operate on their native soil, and especially of how they link up with the peculiarities of the Swiss physical environment and national temperament.

To the long list of Swiss writers who have described and appraised their country's institutions of popular government—Duploige, Rappard, Curti, Klaus, Keller, Klöti, Ryffel etc.—must now be added a former president of the Swiss National Council, Félix Bonjour. M. Bonjour's volume is, indeed, slender in size and scope. It does not assume to be a rounded description of the Swiss governmental system, and hence it does not duplicate Professor Brooks's recent and excellent *Government and Politics of Switzerland*. It is not a history, not even an exhaustive analysis of the political institutions of which it treats. "It is not intended to be either a scientific treatise of law or a collection of sensational disclosures." It is merely a simple, straightforward, impartial expression of opinion by a well-informed Swiss statesman upon the results of his country's far-famed devices of popular government. As such, it has considerable value.

The views which M. Bonjour presents can be summarized briefly. The referendum hinders the "over-luxurious growth of legislation"; it is the best possible safeguard against revolution; the people show due regard for the opinion of the legislatures and reject not more than one-eighth of the measures submitted to them; the machinery is not unduly complicated; in short, while not immune from occasional abuse, the referendum has "scored a definite success". The initiative has been used sparingly and on the whole wisely in amend-

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ing the federal constitution; in the cantons it has been found "even less objectionable" than in the Confederation; the people "is much more circumspect and discreet about proposals coming from one or another of its sections than about the laws and decrees passed by its representatives"; and while not so conservative a force as the referendum, "the initiative has not lent itself to the ends of revolution", or even of radicalism, in any notable case.

Compulsory voting, as maintained in a number of the German-speaking cantons, is endorsed, mainly for its educational value. On woman suffrage no clear opinion is expressed, save that women will not soon be permitted to vote for members of the National Council. Finally, proportional representation is disapproved. The author, it is true, says that he believes in the representation of minorities in legislative bodies. But he fails to explain how he would have such representation brought about; and he is obliged to chronicle the country's rapid conquest by the proportional principle and to admit that the principle's successes "follow more or less closely upon extensions of popular rights". He finds that the proportional system has made the task of governments more difficult "by depriving them of the support of a solid and stable majority", but that otherwise the results are as yet difficult to ascertain.

The book was written—originally in French—for non-academic readers. It abounds in easy generalization; it is silent on many difficult and important matters; and it is entirely undocumented. The critical reader will therefore take it only for what it purports to be: an easy description of the externals of Swiss political procedure and a sincere and suggestive, but essentially personal, expression of opinion upon the results which this procedure produces.

FREDERIC A. OGG.

UNIVERSITY OF WISCONSIN.

The Financial Policy of Corporations. By ARTHUR STONE DEWING. New York, Ronald Press Company, 1920. Five volumes: I, xxiv, 154 pp.; II, iv, 173 pp.; III, iv, 164 pp.; IV, iv, 234 pp.; V, iv, 328 pp.

Without a doubt this is the most thoroughgoing treatise that has yet been published on the subject of corporation finance. As one might infer from Dr. Dewing's earlier writings, its most striking feature is its astonishing wealth of illustrations, which, though relegated for the most part to footnotes, exemplify without at the same time con-

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fusing the skilfully organized and well-outlined generalizations in the text.

In its scope of study and division of topics the work follows fairly closely the example of its predecessors. To each of the following subjects is devoted a separate volume: "Corporate Securities", "Promotion", "The Administration of Income", "Expansion" and "Failure and Reorganization". In the volume on "Expansion" the author oversteps the conventional limits of the field of finance when he discusses at length the principles that determine the most economical size of an industrial unit. Most writers on corporation finance would not undertake to pass judgment on the wisdom of expanding a business; rather they would confine themselves to the problem of financing whatever expansions may be desired.

For the most part the work is descriptive rather than controversial. Broad questions of public policy are not touched upon, or at least are left unsettled. For example, no opinion is expressed as to the wisdom of permitting corporations to issue shares of stock without par value, nor are any suggestions made as to possible legislative remedies for such evils as stock-watering, manipulation by directors, the disregard for minority interests, and excessive promoters' profits. One may infer that the book is written with primary reference to the so-called practical problems of the financier rather than with reference to the problems of the publicist and the reformer. On the whole, no doubt, this narrowing of scope is permissible; but one may question whether Dewing has not limited his field in this respect somewhat too rigorously even from the point of view of the interests of the business man. Not a word, for example, is said about the important rôle played by public service commissions in supervising the issuance of railroad and public utility securities. Yet the financial policy of these classes of corporations has been materially affected by such supervision, and no banker or promoter can overlook the fact that his financial plan must pass muster before the appropriate governmental commission.

It is interesting to note how Dewing's wide acquaintance with the history of corporation finance has made him cautious to avoid overgeneralization and oversimplification. This caution is especially notable in the volume on security issues. The following sentences are characteristic:

The treatment of the general subject of bonds is confused by the

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variety of forms that have been issued and certain anomalous cases that resist any reasonable classification. Owing to this confusion no single statement can be made regarding all bonds as a class to which some exception cannot somehow and somewhere be found. There are, however, certain general characteristics of bonds to which most issues conform, and which, if absent, lead one to regard the case as an exception. There are other characteristics which may or may not be present, such as the privileges of redemption and of conversion into stock, which are not sufficiently unusual to render the issue in which they belong an exception, but which are sufficiently unusual to require special comment. It is the purpose of the present chapter to describe certain general characteristics of bonds, reserving for the next a description of the varied standard forms [pp. 17-18].

One shortcoming of the work should certainly be remedied in a revised edition: the lack of an index of companies referred to in the text and in the footnotes. Never before has there been available to the student of private finance such a rich collection of illustrations from American corporate history. A careful indexing of these illustrations would add to their value an amount far in excess of the extra cost of printing.

JAMES C. BONBRIGHT.

COLUMBIA UNIVERSITY.

Bank Credit. By CHESTER A. PHILLIPS. New York, The Macmillan Company, 1920.—xiv, 374 pp.

As stated by the author himself, the purpose of this book is: "to develop the principles of bank credit in the abstract, and to set forth the main factors underlying the loans made, the credit extended, by banks to borrowers." It will thus be observed that Professor Phillips narrows his study in general to banking operations, excluding those considerations which have to do with the relations of banking to the broad process of wealth-production.

The mechanical organization of his book reflects Professor Phillips's purpose. There is a brief general introduction in which he sketches the nature of bank credit and the legitimate scope of its extension. But the main body of the book is divided into two parts, the first dealing with the "quantitative", the second with the "qualitative" aspects of bank credit. Throughout, as already indicated, the interest centers in technical banking operations, the important questions answered being: how much credit can a bank extend; and what are the conditions under which such credit may be safely extended. Numerous as are the implications of such ques-

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tions, Professor Phillips appears to have overlooked nothing of importance.

The material relied upon by the author in his study is that which has accumulated in great volume in banking and trade periodicals, records and proceedings of bankers' conventions etc. Professor Phillips must have worked with great diligence to supply himself with data bearing on all the points discussed. It must be noted in this connection, however, that the study is based on American banking practice, and that it has the advantages as well as the limitations of an almost exclusively American viewpoint.

The ground covered by Professor Phillips can be clearly indicated by noting his chapter headings. In Part I the six chapters bear, in order, the following titles: the nature of commercial banking; the philosophy of bank credit; interrelations of cash, loans and deposits; surplus in relation to loans, deposits and reserves; and bankers' banks and credit extension. Part II is considerably longer and contains seventeen chapters. The first chapter in this part sketches the changes that have been introduced in recent years in our bank credit arrangements. Then follow three chapters dealing comprehensively with the borrower's statement. Chapter XI (the fourth in Part II) deals with the investigation of credit risks by banks; chapters XII and XIII cover secured loans and overdrafts. Chapter XIV is devoted to the loans of country banks with the special problems that they present. Chapter XV covers the interesting topic of inter-bank loans. Chapter XVI is of special significance to American students because it supplies a wealth of important material bearing on the commercial-paper houses and their peculiar function in the American system. And, of course, no American treatise on banking could be complete without at least one chapter on banking supervision. This is Professor Phillips's theme in chapter XVII. In the appendix is found a complete list of well-organized questions, exercises and problems, which are bound to win the approval of the busy instructor, and these teaching aids are followed by certain approved forms which are also of illustrative value.

Professor Phillips's special contributions are to be found in connection with his emphasis on the distinction between the individual bank and the banking system when discussing the relation between credit and reserves; in his review of the changes in our credit arrangements; and in his interpretation of the activities of the commercial-paper houses. A word or two further should be said concerning the first point here noted. In Chapter III, to which Professor Phil-

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lips has given the possibly misleading title of "the philosophy of bank credit" (misleading because "philosophy" connotes something considerably broader than that which Professor Phillips has really essayed in this chapter), he criticizes what he regards as the traditional theory of bank credit because of its assumption that the individual bank can expand its credit, on the receipt of additional cash reserves, to the full amount permitted within the limits of any given reserve percentage. The ordinary statement is that when, on a basis of ten per cent reserve requirements, for example, a bank gets $1000 in new cash it can expand its credit (including the original deposit) to a total of $10,000. The author contends that this is wrong. Owing to the relations that obtain between banks in modern exchange a bank is bound to lose most of this cash to others. Just how much the individual bank can expand its credit Professor Phillips works out in a very useful formula, $x = \frac{c}{kr + 1 - k}$ ("where x equals the loan expansion, c the surplus reserve, k the ratio of the derivative deposits to loans and r the cash-deposits ratio"). Inter-bank relations tend to force cash out of the receiving bank and into other banks, and hence it is the system as a whole rather than the original receiving bank which utilizes the full possibilities of the new cash.

Without wishing in the least to disparage Professor Phillips's contribution in the development of his formula, it must nevertheless be stated that he is a little too hard on the "traditional view" in his criticism. On page 76 he states that "the old contention that no cash would be lost by the bank that increased its loans, under the conditions given, that counter-claims would still balance, was the fruit of confusing the operations of a bank with the operations of a banking system." No writer contends that no cash would be lost, but most writers have hitherto separated the treatment of the individual bank, which for purposes of clearness has usually been looked upon as an isolated phenomenon, from the treatment of inter-bank relations. Professor Dunbar in his well-known classic on banking pointed out how the necessity of meeting debit balances in the clearings acted as a check on the individual bank in its policy of expansion. If, however, it were demanded that at the outset the whole banking system be envisaged in considering the credit possibilities of new cash reserves it would suffice to assume that all the banks obtained at a given time equal additions to their reserves. This would still be less useful than Professor Phillips's formula which allows for possible reserve differences etc.; in the main, however, it would

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meet his criticism. A question arises in connection with the formula itself. Does the formula not represent the final state for the individual bank, and does not the process of losing the cash involved imply an intermediate credit extension in excess of the amount permitted by the formula?

In any event it must be conceded that Professor Phillips has written a very useful book for students of American banking. Its chief field of service will probably be in classes in schools of business, institutes of banking and similar institutions. At the same time every business man will profit by studying it. Professor Phillips writes forcefully and clearly, and his instincts for good teaching lead him to adopt certain aids in printing and arrangement that are of much help.

E. E. AGGER.

COLUMBIA UNIVERSITY.

Labor and the Common Welfare. By SAMUEL GOMPERS. Compiled and edited by Hayes Robbins. New York, E. P. Dutton and Company, 1919.—ix, 306 pp.

Labor and the Employer. By SAMUEL GOMPERS. Compiled and edited by Hayes Robbins. New York, E. P. Dutton and Company, 1920.—vii, 320 pp.

Books which bear the name of Mr. Gompers must be appraised in borrowed values. At best it is hard to separate the merit of the printed word from the reputation of the author. In this case it is both unnecessary and unjust. Mr. Gompers has never set up as a professed maker of books, and these volumes are the incidental by-product of ventures far more exciting than literary labors. By reader and reviewer alike they will be endowed with the values which lie in the personality and accomplishments of their composer.

If this be so, the degree and quality of their merit depends upon the position accorded Mr. Gompers. Some think of him as a pioneer who "has taught us how to make the industrial and wage system meet the demand for a rising standard of living", and in the events of the last forty years give first place to "the industrial statesmanship of Samuel Gompers". They will assess the volumes highly. Others assert that his place in the labor movement has been conspicuous, rather than significant, and insist that the sprawling character of trade unionism has given to his office of president of the American Federation of Labor an importance that is merely ceremonial. They will rank his published work much lower. But,

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whatever this disagreement, Mr. Gompers has maintained his position of nominal head of his organization for more than a generation, an accomplishment in itself, and, more than any other individual, he typifies the labor movement to the public. This gives at least an imputed importance to these volumes.

In form the book represents Mr. Robbins's laudable desire to turn Mr. Gompers's many utterances into principles and a program for the labor movement. His raw material consists of speeches, pamphlets, and editorials, most of them addressed to the issue of the moment, and covering the whole of Mr. Gompers's official life. His procedure has been to cut them up and rearrange the fragments under a series of headings that cover trade-union theory. Typical captions for the chapters are "The American Federation of Labor", "The Shorter Working Day", "Industrial Warfare", "Labor and the Law", and "The Political Policy of Organized Labor". This attempt to turn a series of occasional utterances into a systematic presentation of the cause of labor has its advantages and its manifest shortcomings. But so have other plans which might have been used in constructing the volumes.

The result is a clear presentation of the system of thought which underlies Mr. Gompers's activities, or at least of so much of it as has found explicit statement in his own mind. Together, the volumes set forth his belief in a higher living standard as the great end of the labor movement, in higher wages and shorter hours as the immediate means to the end, and in craft unionism, collective bargaining, the closed shop, the strike and the boycott as instruments essential to the attainment of the end. It is a creed that aims through separate craft organization at the material well-being of skilled laborers. The books reveal an opposition to industrial unionism, a distrust of legislative action, an indifference to changes in the institutional fabric of society, and a hostility to any program which would rob the skilled laborer of his differential advantage. They likewise exhibit the author's genuine and honest concern for humanizing the economic order through such measures as prison reform, the abolition of child labor, and the dissemination of education. The theory of these pages is a compound of the theories of "business" and of "uplift" unionism.

These volumes have their disappointing side in the indictment which they furnish of the intellectual quality of labor leadership in the last generation. The theory of Mr. Gompers is all directed toward the acquisitive efficiency of the business agent of the craft

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union. It means getting more for those who have labor of a particular kind to sell. It could all be translated into terms of the policy of the greater men of business who have used the industries they control for pecuniary gain. This theory has kept the rank and file of the labor movement from concerning themselves with the economic problems upon which their welfare depends. It has prevented the larger organizations from doing the research work necessary to meet their problems with intelligence. It has left the unskilled unorganized because business unionism has not fired officials with zeal to carry their gospel to the most needy. Its rejection alike of industrial unionism and of political action, has given it no weapon with which to attack the larger issues upon which the welfare of labor depends. Upon these questions Mr. Gompers's body of doctrine is disappointing. It contains no practical scheme for giving to members of crafts control of the conditions of their employment which inhere in the industry in which they are engaged. It presents not a single constructive suggestion for raising the real wages of the whole group of industrial laborers. It advances not even the semblance of an articulate plan for fighting unemployment, which is the greatest danger which the laborer has to face. His work has left the Federation only a federation. It has neither unified the labor groups of the country into a labor movement nor given to them an articulate program for attaining their common ends.

Whether this indifference to more significant issues was at first a matter of choice with Mr. Gompers or a reflection of his intellectual limitations is not certain. It may be that he achieved all that the conditions permitted. In this event he kept alive a conglomerate federation when a more coherent organization was impossible. Or it may be that his lack of vision was the limiting factor in the situation. In that event he checked the development of an articulated unionism bent upon realizing a progressive program. However this indifference to larger issues came about, it soon became habitual with him, and imposed its limitations upon the movement.

In attempting even this cursory judgment it is only fair to add that the moment is most unfavorable to a proper appreciation of Mr. Gompers. A new chapter in labor history is beginning to be written, and we are all expectant. The centres of interest are just now outside the Federation in the Amalgamated Clothing Workers and the railroad brotherhoods. Within the Federation the activities of the miners, the machinists, and the central labor unions of some of the larger cities cannot be reduced to terms of the older theory.

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Besides, employers are forcing into the courts issues that used to be settled in the good old way of give and take. The new is dramatic and good and the old dull and bad. All of which is not quite fair to Mr. Gompers. Moreover, the very length of his period of service is against him. It throws some four decades into the past the period when his mind was most sensitive and his system of thought was being formed. In this age of shifting standards anything that goes back to the seventies and eighties is almost past understanding. It is just because these volumes contain utterances directed to specific issues that they help us to an appreciation of him. Against the background of those distant days and in terms of the problems which he had to meet, he stands out a progressive, able and courageous figure. If his long term of office has allowed a system of thought, once adequate and relevant, to impose shackles upon the cause he has courageously and honestly sought to serve, the fault is not his.

WALTON H. HAMILTON.

AMHERST COLLEGE.

Common Sense and Labour. By SAMUEL CROWTHER. New York, Doubleday, Page and Company, 1920.—v, 284 pp.

Why Men Strike. By SAMUEL CROWTHER. New York, Doubleday, Page and Company, 1920.—viii, 232 pp.

Mr. Crowther's two books were written apparently for the instruction of the wage-earner. While there is a good deal of repetition, each of the books is devoted to the advocacy of a distinct doctrine. In *Common Sense and Labour* the economic truth presented to the attention of the laborer is that there can be no great increase in wages without an increase in production. There is undoubtedly a place for books which set forth sound economic principles in popular fashion, but in this case the useful effect which the book might have is largely nullified by reckless statements, such, for example, as the passage on page 89 in which it is asserted that "with few exceptions, the American worker of today is not producing as much in eight hours as he did in four before the war". The slightest examination of the available statistics of production would have convinced the author, if he is capable of being convinced, that the productivity of labor has not shrunk by anything like one-half. Indeed, other statements in the book are inconsistent with any such reduction in productivity. If, as the author says, the labor bill of the country is seventy-five per cent of the national product, and the efficiency of

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labor has shrunk one-half, from what source do the goods necessary to keep up present high real wages come?

To make matters worse, the author attempts to give the impression that he has made detailed inquiries into the subject by adding, "The percentage varies, but generally speaking the efficiency is about one-half". The only study of the subject of productivity which the present writer has seen is in the *Massachusetts Industrial Review* for March, 1920. The data there given show that from 1914 to 1919 there has been an increase in output per employee in four of the seven establishments investigated and a decrease in the other three. Even the soundest economic doctrine in such hands is likely to fall into disrepute.

The book entitled *Why Men Strike* is of somewhat better stuff. The thesis is that the labor problem may be solved by the encouragement of thrift. Much that the author says is true and worth saying. The discussion of the merits of various plans for encouraging thrift is the most interesting part of the book, and is marked in not a few places by a practical kind of insight. If Mr. Crowther claimed somewhat less for thrift, his readers would be likely to concede more. Sensible men, even though workers, are not likely to put much faith in panaceas.

George E. Barnett.

The Johns Hopkins University.

The New Industrial Unrest: Reasons and Remedies. By Ray Stannard Baker. Garden City, Doubleday, Page and Company, 1920.—vi, 231 pp.

What the Workers Want: A Study of British Labor. By Arthur Gleason. New York, Harcourt, Brace and Howe, 1920. —vii, 518 pp.

These books have the common characteristic that they attempt to present the leading events and the currents of opinion in reference to the relations between employer and employee during the period of so-called "reconstruction" following the signing of the armistice, one for the United States, the other for the United Kingdom. Both, moreover, are fine examples of faithful and painstaking reporting by able journalists, who make no effort to conceal either their own lively interest in the problem with which they deal or their hope that the events which they record represent the dawn of a new era.

The substance of Mr. Baker's book first appeared as articles in

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the *New York Evening Post,* prepared during and after the steel strike in the fall of 1919. It was because of the negative results of that struggle that the author was led to broaden the scope of his inquiry and include descriptions of other developments in the field of labor. Of his eighteen chapters, the first eight describe the industrial conflict that was in progress and the motives and convictions which actuated the two sides. With Chapter IX the treatment becomes more constructive and accounts are given of proposed solutions, such as Americanization, the organization of the new labor party, welfare work, the shop council system etc. In a concluding chapter the author contrasts the three solutions which seem to him to be most worthy of consideration. There is first the solution that others have characterized as "benevolent feudalism", the maintenance of the autocratic control of the employer tempered by a more and more humanitarian outlook on his part. "The second method is that of the extreme radicals. . . . They see only injustice, suppression, inefficiency, in the autocracy of capital—and they fly to the other extreme. 'Labor must rule', is the slogan of revolutionary radicalism. Extreme conservatism thus breeds extreme radicalism: Czarism breeds Bolshevism." The author's strong conviction looks to solution through a third method. This involves "a vigorous rejection of the whole idea of autocracy—either the blind and greedy autocracy of capital, or the rough autocracy of labor. A sturdy and wholesome voice is rising powerfully in America — not clear yet and rather angry but full of vitality—that says: 'A plague o' both your houses. We will be bossed neither by Gary nor by Haywood nor by the ideas they personify. Get together now and do your job!'" But he appreciates that there is no royal road to any "get-together" solution that would require employers to accept employees as their real partners and to share the returns of industry fairly with the workers. At the very close he indicates his conviction that no solution can be attained that is not founded upon "high faith in God, and some vital interest in [our] fellowmen".

By comparison Mr. Gleason's analysis of *What the Workers Want* is both more comprehensive and more fully documented. Having reviewed the principal developments of the year 1919 and the significant reports, resolutions and official utterances in the first half of the book, he devotes the second half to a reprinting of all the important reports and documents, including among others the report of the Nationalization Committee, the National Industrial Conference report, and the Sankey report for the Coal Industry Commis-

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sion. In a final section, to do full justice to all concerned, he presents sketches of the rise of the English middle class, of the origin of British socialism, and of the new class of government servants, and adds a group of significant quotations from representative citizens under the caption "What the People Say".

While the American conditions that Mr. Baker reviews were mainly distinguished by the absence of definite plans and programs, the British situation described by Mr. Gleason is characterized by perhaps an overplus of elaborately formulated if not clearly-thought-out programs. In his introduction Mr. Gleason sums up his own conclusions thus:

> The old British industrial system is dying. . . . It was the system of private enterprise directed by the profit-making motive of the ruling group and operated by the mass of workers driven by fear and hunger. Through organization the workers have obtained such control over industry as to render it unworkable at their will. They refuse to give high production except on their own terms. Their terms are a new industrial system, the socialist state, with workers' control.

That progress toward this new state during the year he reviews was for the most part progress backward, so far as positive accomplishment was concerned, does not trouble him. He explains this fact as due in part to the inevitable lethargy following the strain of war and in part to the unreadiness of labor to assert its power until its leaders are more confident of their ability to realize the expectations and aspirations of their followers. Some of the guild-socialist enthusiasts had predicted that labor would assume control of the government and industry within two years. Mr. Gleason puts the time needed at from "five to twenty-five years".

The value of this survey does not depend, however, upon the author's infallibility as a social prophet. In the chapters of Part I and in the documents of the appendix we have the clearest and most readable account of the dramatic happenings in the field of British industry of this eventful year that is to be found anywhere in English. Particularly illuminating are his description of the inquiry of the British coal commission in which Mr. Robert Smiley played the dominant rôle, and the evidence he marshals of the deep determination on the part not only of the British labor leaders like Smiley, Hodges, Clynes, Henderson, Thomas and Gosling, but also of the rank and file, not to sink back into their old dependent relationship but to press on toward a larger and larger share in the management of British industry.

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Taken together the two books present a vivid picture of tendencies in the English-speaking labor world. In the position they have taken, the authoritative leaders of the organized workers of America appear by comparison the Extreme Right, the authoritative leaders of the British workers as the Moderate Left, of the Anglo-American labor movement. In both countries the Extreme Left or Bolshevist group appears clearly to have lost ground during the year reviewed. As regards Bolshevism, the two writers are not entirely agreed. Mr. Baker appears to identify with Bolshevism the program which Mr. Gleason describes as that of the dominant British labor leaders, whereas Mr. Gleason appears to think that the conservative policy of American labor leaders is likely to bring about a Bolshevist reaction here. Perhaps the otherwise trivial fact that Mr. Baker in writing of American conditions habitually spells "labour" in the older, English style, whereas Mr. Gleason prefers to omit the *u* in describing British "labor", reveals the contrasting attitudes of these writers better than would a detailed comparison of their views.

HENRY R. SEAGER.

Industrial Democracy. By SIDNEY and BEATRICE WEBB. Edition of 1920, with new introduction. New York, Longmans, Green and Company, 1920.—xxxiii, 899 pp.

Gratifying evidence that precise and profound scholarship in a major field of human activity is appreciated, may be found in the fact that a new edition of *Industrial Democracy* is needed to satisfy the demand. There has been no alteration in the text save for the insertion of a new introduction and new appendices. The subject matter stands now as it did when it was first written in 1897, as an accurate estimate of the significant items of strength and weakness in the English trade-union movement. Events have substantiated the general position taken by the Webbs in assigning as much importance as they did to the social potency of organized labor, to the place it would occupy in the political and economic structure of our own century. Their last chapter in particular, where they allow themselves to reflect upon the larger meaning of unionism to a democratic society, is as brilliant a piece of writing as there has been on the subject. And the American community is still almost as far from grasping in any extended way what democracy must mean today in terms of group organization, utilization of experts, substitution of a collective freedom for an individualistic liberty, as we were before this clarifying synthesis was offered.

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Those who find fruitful suggestions as to next steps in industrial evolution in the most recent work of the Webbs—as for example their *Constitution for the Socialist Commonwealth of Great Britain*—will be deeply impressed by a re-reading of this new edition. For it shows the masterly way in which a big conception of social organization has arisen genetically, scientifically, and out of the kind of creative intelligence which shows the human mind at its best. Out of their *History* and out of the present volume, the Webbs have arranged the objective data which they use as the building material for their conception of a new commonwealth. Those who would understand the result must know the data; those familiar with the data should carry on with these prophets to an examination of their proposed roads to industrial democracy.

ORDWAY TEAD.

NEW YORK CITY.

Employment Psychology. The application of scientific methods to the selection, training and grading of employees. By HENRY C. LINK. New York, The Macmillan Company, 1919.—xii, 440 pp.

During recent years there has been a wide extension of the use of psychological tests. Their use in the army during the war is especially notable. The movement has reached the manufacturing industry and we find Dr. Link using psychological tests to determine the ability of applicants for positions. His recent book describes their application in certain plants. The presentation is admirable in that he deals with facts and results, and thus his book is unusually free from vague speculations and theorizing. He presents data from which the reader can judge. It is only in the last part, where he talks of employment psychology, labor and industry in general, that the reader feels he is going beyond his evidence and knowledge.

A typical problem is to test an applicant's ability to inspect shells. The procedure is to give such an applicant psychological tests for the ability needed in this particular task. Of course good tests must first be found. To find these, several tests were tried on girls already inspecting shells, and their records in the tests were compared with records of shells inspected. To measure this comparison, correlation coefficients are used. For instance, the card-assorting test and the inspection of shells show a correlation of plus 0.56. The author does not use the regression equation and the standard deviation of an array. If these had been used in addition to the correla-

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tion coefficient it would have been possible to predict the output of shells inspected from the standing in the tests, and the accuracy of this prediction could have been estimated. This is really what is wanted; much more so than a correlation coefficient. Incidentally one might raise the question, why give several psychological tests to measure the ability to inspect shells. Why not give the applicant a box of shells to inspect and let this be the test? It would be interesting to know whether the first inspections of shells by a group would correlate as closely with their later records as do the psychological tests.

The service of such psychological tests is readily seen when the object is to assort workers of varying capacities to jobs demanding varying abilities. Tests would seem to be of great value in plants where such a situation exists, particularly the tests of certain fundamental traits, such as eyesight, touch etc. It is also easy to see that psychological tests are of considerable value in estimating the various qualifications and abilities of workers, for attaining a high percentage of what is called "balance of production". They should be useful in conjunction with the vestibule training school. In skilled work such as pattern-making it would seem that psychological tests would not be as applicable, because the important factor is training, and past records or knowledge of the apprenticeship period would be of most value. Of course the tests would be of service in determining who should be selected as apprentices.

It is difficult to predict how widely such psychological tests will be used in industry. A great many factors will operate to determine this. For instance, unionized workers may oppose the practice unless they have a certain measure of control over it; just as scientific management must be seen from the worker's point of view to be made widely applicable. Of course industry now is not wholly barren of the fruits which psychological tests might bring; for instance, production records and apprenticeship rules. A person who has seen psychological tests applied and has had first-hand experience with them is in the best position to judge. No doubt considerable improvement in the tests themselves is needed. And it is very important that they be employed with the coöperation of labor. But it seems a fruitful idea and within limits it may be quite productive of good results.

WILLIAM F. OGBURN.

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Folk Lore in the Old Testament. Studies in Comparative Religion, Legend and Law. By Sir JAMES GEORGE FRAZER. London, Macmillan and Company, 1918. — Three volumes: xxv, 566; xxi, 571; xxviii, 569 pp.

Coming at a time when thinking was mainly metaphysical, while the world was still testing the theories of Charles Darwin and Herbert Spencer by the word of Holy Writ, Frazer's earlier works in the field of comparative religion struck at the doctrine of divine inspiration and played a large part in changing the controversy from a test of theory by theory to a test of theory by observed fact. With inductive method firmly established, as it is today, Frazer's latest product in the same field cannot be considered epoch-making.

Folk Lore in the Old Testament does not pretend to be the result of personal research. Rather, it is a reorganization of the voluminous published material collected by explorers, missionaries, archæologists and anthropologists, regarding the backward groups in all corners of the earth, with a chronological arrangement of biblical legend as framework.

Many of the data are admittedly crude. Explorers have physiography as their main interest and lack the intimate knowledge of the local language necessary to comprehend local traditions. Missionaries are prone to see in the folk-tale merely the evils of heathendom. Scientists, reaching the primitive group after the modernizing influences of other visitors have been at work, are unable to separate the indigenous legend from distorted fragments which have been borrowed from our own folk-lore.

The classification of the material is, of course, subject to the personal bias of the author. In many instances it will appear to the reader that data have been included which are quite foreign to the topic dealt with. This is particularly true of the chapter on "Ultimogeniture", where much of the material apparently has no relation to the Hebraic legend of Jacob and Esau, or even to the general subject of the section. When, as in the above instance, the author is launching a theory of his own, the introduction of extraneous material tends seriously to weaken the argument. In the main, however, the arrangement is excellent. For the usual arrangement by geographical area, it substitutes a classification of traditions according to the central idea, greatly facilitating comparative study. In conjunction with the copious index, it makes the material readily available to the student of primitive thought.

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In the main the author is content with mere exposition, leaving the task of deduction to the reader, and seldom drawing conclusions himself. He does state an opinion in some instances, and it is in these places that the work seems weakest. The methodology of the field of folk-lore is almost as backward as are the groups from which the material is drawn. As yet the subject is still mainly in the classificatory stage, and it must be said that Frazer does little to raise it above that level.

Throughout the work Frazer proves himself a master in the use of English. Flashes of wit and satire punctuate what might easily be a dreary monotony of instances. The style, poetic always, and rising at times almost to the level of the saga, holds the reader's interest where the subject matter, otherwise presented, would become intolerably tedious.

For the student of comparative law and jurisprudence the volumes constitute an excellent source-book on rudimentary forms. While most of the material in Part IV deals solely with primitive taboos, there is much that is concerned with the fundamentals of common law and of procedure. For those interested in the religious beliefs and observances of barbarous groups the book is a well-organized body of material.

On reading *Folk Lore in the Old Testament,* one cannot fail to be impressed with the undeveloped state of the subject. Much sifting and resifting of the data, much organizing and rearrangement, is needed before the crude and imperfect mass of material now at hand can be converted into a coördinated body of knowledge. Many careful but fragmentary studies of comparative folk-lore have been made and published in various journals of anthropology. Recently Robert H. Lowie in his *Primitive Society* has rendered valuable service in assembling and systematizing the data already at our disposal. With a background of actual personal studies of existing forms and observances among backward peoples, it is possible for the anthropologist to analyze legend in the light of present-day survivals. It is to be hoped that many other scientifically-minded students of social origins may attack this large work, and that the subject may pass from the phase of arbitrary classification into that of logical generalization.

FRANK A. ROSS.

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BOOK NOTES

The biographies of living politicians are commonly written in a spirit of veneration; so it is with the Clemenceau of Hyndman or Lecomte and with the Lloyd George of Dilnot or Spender. In his *Life of Arthur James Balfour* (Boston, Little, Brown, and Company, 1920; 289 pp.) Mr. E. T. Raymond has produced a serious and discriminating study. While recognizing fully the great qualities of Mr. Balfour, he is equally alive to weaknesses of temperament and character. "Mr. Balfour", he says, "possessed much, but was possessed by nothing; and his one constant positive feeling was a cold dislike of enthusiasm." Strong men, especially if they had "views" or "principles", inspired a feeling of repugnance; and as prime minister he brought no one to office who could possibly threaten his position. He was deficient in energy, deficient in capacity for decision. It is clear that Mr. Raymond did not set out to write the familiar kind of panegyric. To him, as to Mrs. Asquith, this elder statesman is a baffling character, "a strange and elusive personality, at once so familiar and so remote". And again: "Nobody, in public life at least, succeeded really in getting to know him. Mr. Balfour is an island entirely surrounded by urbanity (modified by some puzzling cross currents), and many determined attempts at invasion have failed." Perhaps the most serviceable parts of the book have to do with the position of Mr. Balfour as prime minister during the years of the tariff-reform controversy and as leader of the opposition during the conflict over the Lloyd George budget. The key to his strange manœuvers from 1903 to 1905 is found in foreign policy. He was sparring for time. Until the new arrangements, indispensable to the nation's safety, had taken definite shape he clung to office; he wished to confront the new Liberal ministry with a *fait accompli*. Mr. Raymond suggests that King Edward was the originator of the *rapprochement* with France. But he adds: "It is certain that Mr. Balfour, whether he conceived or merely adopted the idea of the Entente Cordiale, carried it into execution with great energy and ability. Lord Lansdowne at the Foreign Office was merely the agent." Among the striking sketches—compact, suggestive and very amusing—of Mr. Balfour's contemporaries, those of Joseph Chamberlain and the Duke of Devonshire merit special

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notice. The style needs no commendation to those who have read *Uncensored Celebrities.*

Neither the student nor the general reader seeking a brief and unbiased account of the Great War will find satisfaction in H. Vast's *Little History of the Great War,* translated by Raymond Weeks (New York, Henry Holt and Company, 1920; ix, 262 pp.). Written as a guide to the political events and the military operations of the war, and for the purpose of "evoking the principal personages of the glorious epic", it represents the orthodox French patriotic point of view in which the hero is all white and the villain all black. In Pan-Germanism and the insatiable ambition of William II the author finds the sole cause of the great conflict. During the decades immediately preceding the war Germany, "drunk with pride and clad in iron", sought the destruction of "gentle France, gay, free, generous, too easily forgetful of the past, always ready to pardon offenses, who instead of manufacturing artillery and accumulating munitions, was devoting all the spare means of her citizens to works of social solidarity" (p. 42). Space limits the cataloging of all the sins of omission and commission in which the work abounds; only a few can be noted here. For instance, one is led to ask if, in 1915, "the villa Malta at Rome became the scene of those unwholesome intrigues and shameful bargainings in which German diplomats excel", what about the bargainings between Italy and the Entente? It may be questioned whether Russia betrayed the Allies (p. 171) or was at any time guilty of "the supreme treason of a separate peace" (p. 181). Likewise it is questionable whether the Bolshevist leaders associated with Lenine and Trotsky are "a rabble of bandits who had nothing in their favor except their criminal audacity" (p. 182). That Germans taught in the majority of the schools of the United States and according to German methods (p. 196), is untrue. Nor is it wholly true that the Japanese intervened in Russia "in order to oppose German seizure of Siberia" (p. 259). The work is well equipped with sketch maps but contains no index. As a serviceable outline of military operations the book is meritorious.

A touching story of a small nation's struggle for existence and independence is told by M. Martna in *L'Esthonie: les esthoniens et la question esthonienne* (Paris, Librairie Armand Colin, 1920; 268 pp.). No claim to impartiality can be made for the book. Indeed, the author was a member of the Esthonian delegation to the Peace Conference and his attitude is frankly that of a patriotic propagandist. He advances every conceivable argument — geographical,

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cultural, political, economic—for Esthonia's freedom. As portrayed in his sympathetic narrative the Esthonian independence movement exemplifies in a most illuminating fashion the characteristics of contemporary nationalism. In the latter part of the nineteenth century Esthonian literary and choral societies began to revive the native culture which had been well-nigh destroyed by centuries of foreign domination. Esthonia, Mr. Martna reminds us, possesses folk-songs of unsurpassed beauty; her traditions, legends, adages and enigmas are numbered by tens of thousands, and her national epic, *Kalewipoeg,* truly Homeric in character, comprises no less than 19,047 verses. Every oppressed nationality, so it would seem, must needs justify its existence by the bulk or the beauty of its folk-lore. In addition, however, to this literary nationalism there was a significant economic movement on the part of Esthonian peasants and of the Esthonian bourgeoisie against the German feudal aristocracy. Despite persecution by the local German-speaking Baltic barons and notwithstanding the tsar's Russification measures, this nationalization movement persisted until, thanks to the Russian Revolution of 1917, Esthonia's opportunity arrived. A national council elected by universal suffrage declared independence in November, 1917, and established a provisional government the following year. How the struggling republic suffered invasion and pillage, now at the hands of the Germans, now at the hands of the Russian Bolshevists, the author informs us with a wealth of harrowing detail. Although they have instituted some radical reforms, such as the breaking-up of large estates, the Esthonians are overwhelmingly anti-Bolshevist in sentiment. They are determined to maintain their independent and democratic nationhood. The book might be read with some profit by those publicists and statesmen whose custom it has been to dismiss the pleas of every small nation (Esthonia has less than two million inhabitants) with the casual generalization that microscopic states have no place on modern maps.

International Conflicts, Peru against Colombia, Ecuador and Chile (Santiago de Chile: Sociedad Imprenta y Litografía Universo, 1920; 247 pp., with maps), by Juan Ignacio Galvez, hardly professes to be written in a nonpartisan spirit, although it undertakes to demonstrate to the reader the invalidity of all Peruvian claims in the controversies of Peru with her neighbors. He speaks of Peru as conducting an "artful propaganda", for the purpose of making it appear that she is "a modest and unoffending country, peaceful and anti-militarist, whose wealth and prosperity have made her a victim to Chilean am-

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bition if not to chaotic Peruvian politics", while Ecuadoreans and Colombians know that they "have suffered Peruvian imperialism", and "are not surprised by the assertion that Peru provoked the war of 1879 against Chile, by means of Bolivia, in the same way that Germany, using Austria as a tool, let war loose on Europe". The publication of the present English version of the author's work indicates a desire to appeal to English-speaking and English-reading peoples. It is strange that persons who desire to make such an appeal do not always appreciate the importance of presenting a text that meets in style and in form the requirements of the language of the readers whom they apparently seek to reach. In the present volume the want of attention to such requirements is frequently exemplified. It is worthy of comment that the author, in censuring the Peruvian habit of speaking of Peru's lost provinces as cessions wrested from her by force, as if this justified her in endeavoring to recover them, invokes the attitude of the Allies as exemplified in their treaties with the Central Powers and with Bulgaria and Turkey, as an implied condemnation of the "unique" and "dangerous" assertion that the "pressure of the stronger" is tainted with the "vices of nullity and injustice". He does not think that even "the most stubborn Pan-Germanist" would make a plea so inherently unsound. He also finds in the action of the United States in the case of Panama a "precise demonstration" of the baselessness of such a suggestion.

Those who are inclined to overemphasize the good that could be wrought by an international court of justice will do well to read Professor Herbert A. Smith's *The American Supreme Court as an International Tribunal* (New York, Oxford University Press, 1920; viii, 123 pp.). This shows that the interstate conflicts which the United States Supreme Court has settled have involved but a few of the varieties of issues that give rise to international quarrels. It emphasizes the importance of having a law to enforce before we create a court to enforce it. Mr. Smith thinks that an international tribunal on the model of our Supreme Court would be a valuable component part of any new international organization, but that it would achieve little worth while if hung in the air as an exclusive agency for composing international differences. His judgments are fortified by a careful survey of the work of our Supreme Court in deciding controversies between states. This constitutes the greater part of his book and is so well done that it should be read by all students of American government. Mr. Smith's brief study adds another instance in which an Englishman has written about us better than we have written about ourselves.

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The Carnegie Endowment's Division of International Law continues to emphasize the international aspects of the American Constitution and of the Convention which framed it. Similar in purpose to volumes which it has already published (see notices in THE POLITICAL SCIENCE QUARTERLY, vol. XXXV, pp. 685-6) is *The Debates in the Federal Convention of 1787 which framed the Constitution of the United States of America* (New York, Oxford University Press, 1920; xcvii, 731 pp.), edited by Gaillard Hunt and James Brown Scott. In addition to Madison's Notes of the debates in the Federal Convention, which fill more than two-thirds of the volume, there are included the texts of the Declaration of Independence, the Articles of Confederation and the Constitution, the proceedings of the Annapolis Convention, the resolution of Congress calling the Federal Convention, the credentials of the delegates, Pierce's sketches of the members of the Convention, Madison's preface to his Notes, the reconstruction of the Pinckney Plan as published by Professor McLaughlin some years ago, the spurious Pinckney Plan, Hamilton's draft constitution, and documents relating to the ratification of the Constitution. Even if one dissents from Dr. Scott's opinion that the Federal Convention was an international conference — an opinion curiously reminiscent of the doctrines of Calhoun and the secessionists—he may nevertheless find it convenient to have in a single volume this material on the framing and adoption of the Constitution.

The new edition of *Trade Unionism and Labor Problems* (Boston, Ginn and Company, 1921; xiii, 838 pp.) edited by John R. Commons is really a new book. The material, for the most part consisting of articles reprinted from various magazines, is arranged under five headings: (1) Security; (2) The Labor Market; (3) Labor Management; (4) Labor Unions; (5) The Law. Particularly satisfactory is the portion dealing with labor unions. Taken all in all, this source book will be found much more adequate in connection with courses on the labor problem than the edition that was issued fifteen years ago, chiefly because our literature on this subject has been so enormously enriched during this period.

An important addition to the growing body of literature with reference to labor and the war is Professor Gordon S. Watkins's *Labor Problems and Labor Administration in the United States during the World War* (Urbana, University of Illinois, 1919; two volumes, 247 pp.). The topics dealt with are indicated by the chapter headings: (1) Economic Reorganization and the Labor Problem, (2) The Attitude of American Labor toward the War, (3) Labor Conditions

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in Relation to Production, (4) Decentralized Labor Administration, (6) Coördination of Labor Administration, (7) Conclusion. While not as complete in its discussion of the work of the war labor boards as Mr. Alexander M. Bing's book on that special subject, the treatment is more comprehensive and will be found a useful supplement to more special monographs in the same field. It supplies a brief bibliography.

R. W. Postgate's *The Workers' International* (New York, Harcourt, Brace and Howe, 1920; 125 pp.) gives an account of the first International and brief descriptions of the second and third Internationals, together with an excellent bibliography and lists of the affiliated organizations. Written in popular style, it should serve as an informing background for students of the more radical phases of current labor movements.

The *Debate between Samuel Gompers and Henry J. Allen* on the Kansas Industrial Court system has been brought out in a convenient volume (New York, E. P. Dutton and Company, 1920; vii, 105 pp.) for the information of students of the labor problem who desire to follow the arguments for and against the system of compulsory arbitration.

Labor's Crisis: An Employer's View of Labor Problems by Sigmund Mendelsohn (New York, The Macmillan Company, 1920; xi, 171 pp.) presents in succinct form the somewhat inconclusive conclusions of a liberal-minded employer with reference to controversial aspects of the current labor situation. Written when the labor shortage of the war period was at an acute stage, it now seems to present somewhat exaggerated views of the advantage which the organized workers enjoy in bargaining and the helplessness of the employer when confronted by unreasonable demands on the part of labor. The "labor crisis" in the sense of a shortage of labor already has given place to a different sort of labor crisis on which this book throws little light.

The National Industrial Conference Board has added to its series of interesting monographs numbers 27, 28 and 29, treating of *Hours of Work Problem in Five Major Industries, Changes in the Cost of Living, July, 1914 to March, 1920,* and *Practical Experience with Profit Sharing in Industrial Establishments* (Boston, National Industrial Conference Board, 1920; vii, 91; v, 24; ix, 86 pp.). These give information based on researches under the direction of the Board, for the information of affiliated employers. Particularly interesting is the summary of the views of employers regarding dif-

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ferent plans of profit-sharing. The Board has also published prize essays on *Should Trade Unions and Employers' Associations be made Legally Responsible?* and *The Closed Union Shop versus the Open Shop: Their Social and Economic Value Compared.*

Arthur L. Bowley has supplemented his important statistical discussion of wealth and income in the United Kingdom by the publication of monographs on *The Division of the Product of Industry: An Analysis of National Income before the War* and *The Change in the Distribution of the National Income 1880-1913* (Oxford, The Clarendon Press, 1920; 60 and 27 pp.). The general conclusion at which he arrives in reference to wages is that from 1880 to 1913 average wages in the United Kingdom advanced about 34 per cent, although at the same time the proportion of the total national income assigned to wages diminished from 41½ per cent to 35½ per cent. Together the monographs afford the most authoritative estimates available on the income situation in the United Kingdom at the outbreak of the war.

The Human Factor in Industry by Dr. Lee K. Frankel and Dr. Alexander Fleisher (New York, The Macmillan Company, 1920; xi, 366 pp.) is really a discussion of employment management. As would be expected from the interest of the authors in health problems, special attention is given to working conditions, medical care, refreshment and recreation, and insurance savings and loans. In their treatment of such moot questions as working hours and methods of remuneration the authors have as their aim the development of better industrial relations between employer and employee. The book is designed to be of practical utility to the employment manager. Its value to the student is enhanced by a carefully selected bibliography.

The business man as well as the student of economics and industrial history will find Professor Malcolm Keir's monograph, *Manufacturing Industries in America* (New York, The Ronald Press Company, 1920; vii, 324 pp.), both informing and suggestive. After a brief survey of the resources of the United States and their relation to business opportunity, the author traces the development of manufacturing in America from colonial days to the present, stressing especially such problems as the difficulties of early manufacturing, the evolution of the factory system, transportation, tariffs, capital and labor. He then discusses the question of industrial localization with the view of ascertaining "how localization starts and grows and what advantages it offers". Ten pages are devoted to the his-

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torical importance of the "unappreciated tin-peddler". The greater part of the volume—approximately two hundred pages—describes the development of both basic and specialized industries such as iron and steel, cotton, wool, leather, paper, cement, brick, pottery, glass and wood. In each case the author indicates how the sources and selection of raw materials and labor have influenced grouping and development. In the concluding chapter Professor Keir enumerates what he believes to be some of the leading tendencies of American manufacturing. Selected bibliographical references are appended to each chapter.

All students and teachers of economic history are familiar with the work of Mr. Percy Ashley on the tariff policies of Germany, the United States, and France. The third edition of his *Modern Tariff History* (New York, E. P. Dutton and Company, 1920; x, 365 pp.) brings the subject down to 1914, and is notable especially for an excellent chapter on the Underwood Tariff Act of 1913. Statistics relating to the years 1909-1913 are also included. Otherwise, there are no important changes from the earlier editions. (See POLITICAL SCIENCE QUARTERLY, vol. xx, p. 145.)

One of the most interesting economic aspects of the war was the inflation of money and credit, the accompanying rise in prices, and the consequent increase in the cost of living. Unquestionably, this tragically important question will for a long time be subjected to repeated examination by economic students, in every country. In his *High Prices and Deflation* (Princeton University Press, 1920; xii, 86 pp.) Professor E. W. Kemmerer summarizes the developments in the credit situation of the United States up to the early part of 1920 and makes broad recommendations of policy based on the situation prevailing at that time. The book comprises three articles originally published by the Bankers' Statistics Corporation, but as chapters in the book the articles have been revised and enlarged. Moreover, an introduction emphasizing the extreme importance of the subject has been supplied by Mr. Frank A. Vanderlip. The three chapters are respectively entitled, "Inflation", "High Prices", and "Deflation". Professor Kemmerer's findings harmonize with the views now generally accepted that the establishment of the Federal Reserve system with its effective lowering of basic reserve requirements and the huge importations of gold in 1915 and 1916 supplied the basis for inflation. The incentive was supplied by the heavy war demands of the government, the slogan of "subscribe and borrow" used in liberty-loan campaigns, the needs of business, and the normal desire of banks

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to make profits. Expanding prices, with the great redistribution of wealth and income that rising prices implied, were the result. To check the further development of inflation and its results, Professor Kemmerer advocated a policy of deflation through raising official discount rates, of higher rates on government borrowing, and of intelligent discrimination in the making of loans. The measures that Professor Kemmerer advocated have all been substantially put into practice by those responsible. Early in 1920 the process of deflation actually began. The unavoidable distress and unemployment which Professor Kemmerer foresaw have also materialized, but it is possible that the outcome will be a healthier and steadier economic society.

Two further monographs have been added to the Preliminary Economic Studies of the War edited by Professor David Kinley and published by the Carnegie Endowment for International Peace. Dr. J. Franklin Crowell reviews *Government War Contracts* (New York, Oxford University Press, 1920; xiv, 357 pp.). In addition to a description of the contracts is a discussion of their actual operation and an account of their final liquidation, solution and adjustment. This will doubtless long remain the authoritative work on this important phase of the war.

Professor Simon Litman's contribution to the series deals with *Prices and Price Control in Great Britain and the United States during the World War* (New York, Oxford University Press, 1920; ix, 331 pp.). The book is abundantly illustrated with tables and charts and will be found a convenient source of information with reference to price movements. For the most part the author wisely contents himself with presenting the information, leaving it to others to discuss the causes of price changes.

A Century of Prices by Senator Theodore E. Burton and Mr. G. C. Selden (New York, *The Magazine of Wall Street,* 1919; 118 pp.) reproduces in convenient form articles which originally appeared in *The Magazine of Wall Street.* The little book, illustrated with tables and charts, will be found a convenient manual on American price movements of the last one hundred years.

The "case for capitalism" ought to get into the records. It is too good to find expression only in bad books. Its latest statement, *Economic Liberty* by Harold Cox (London and New York, Longmans, Green and Company, 1920; viii, 263 pp.), is more than usually unworthy of the cause. The author sets for himself the double task of demolishing the arguments of the critics of the existing order and of making the case for it. He allows himself a round dozen chap-

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ters which run to less than three hundred pages. His critical work is characterized by zeal and thoroughness. He overwhelms the Fabians, the Marxians, the guildsmen, and even the uplifters, all of whom are to him indiscriminately "socialists". In this syllogistic onslaught he reduces socialistic reasoning to its ultimate terms and disposes of these by showing the personal shortcomings of the advocates of change. Incidentally he employs more fallacies than a more discreet rhetorician would approve. But he makes clear, beyond peradventure, his disapproval of a completely socialistic state which condemns "all citizens, male and female, to wear clothing of standard design and pattern". His defense of capitalism has the demerit, at least in this objective age, of being written in symbolic language. There is abundant evidence that Mr. Cox is a thoroughgoing believer in the prevailing scheme of economic arrangements, which through usage and institution, imposes its commands and restraints upon all of us. But, quite unmindful of the structure of the economic order, he defends a system of untrammeled political and economic freedom for the individual, such as existed in the eighteenth century, at least in the books on social philosophy. He writes as if the government were the only institution of control and as if the whole structure of business rested upon a perpetually renewed system of voluntary agreements among individuals. Such a ritualistic defense can be convincing only to those whose ardent faith has made them blind. A generation of criticism has stripped from classical economics the implications which made of it a resolute defense of the existing order. The later defenders have not made their case. Mr. Mallock has lost himself in the unrealities of his own arguments. Mr. More has written brilliantly in ignorance of the facts. Mr. Withers has more than half convinced us, but has left us with the suspicion that he knows more than he has told. Mr. Cox has gotten the prevailing system and *laissez-faire* speculation all muddled. Will not some one step forward and state the case with the knowledge, the insight, the tolerance, the reserve and the good humor which it deserves?

In a scheme of economic organization like our own, based in general upon minute division of labor, large-scale production and a highly complicated financial system, the individual's contact with the process as a whole is so limited that he is forced to take for granted most of its aspects. He uses the economic machinery or takes advantage of its products without having, in most cases, the slightest notion as to the organization of the particular machinery concerned or as to the detailed processes which make the result possible. This

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is especially true of credit and credit machinery. Every business man deals directly or indirectly with banking, but there are few who could lucidly explain banking in theory or in practice. Many will welcome, therefore, the publication of William H. Kniffin's *The Business Man and His Bank* (New York, McGraw-Hill Book Company, Inc., 1920; xii, 278 pp.). This is a small book but it has a surprisingly wide scope, ranging over the whole field of banking in the United States. It attempts to give not only a description of processes but also a discussion of principles, including foreign exchange as well as domestic banking operations. Mr. Kniffin is a banker and a writer of some distinction. Consequently, his latest book is likely to make a strong appeal to the practical business man, for whom it is intended, even though the student of banking will find in it little that is new.

The lesson of thrift, in all its implications, is one that America is urgently in need of learning. In our individual habits, in public expenditure, and in the use of our natural resources, we stand convicted as a nation of spendthrifts. Having in mind the use we have made of our wonderful natural heritage, Professor Giddings has compared us to a herd of wild asses in a wilderness. What we cannot use we trample down. Devoted efforts have been dedicated to our regeneration, and nobody has labored more faithfully toward that end than Mr. J. W. Straus, President of the American Society for Thrift. His *History of the Thrift Movement in America* (Philadelphia and London, J. B. Lippincott Company, 1920; 256 pp.) is a welcome addition to the literature of the subject. The book is far from being simply a chronicle. It contains chapters on almost every aspect of thrift, each chapter being in effect a sermon on the subject. Its main theme is the teaching of thrift to children and the book is likely to appeal therefore to teachers as well as to parents. Indeed, it appears as a contribution to "Lippincott's Thrift Text Series", edited by Mr. Arthur H. Chamberlain, chairman of the Committee on Thrift Education of the National Education Association. Mr. Chamberlain has also written an interesting and stimulating introduction for the book. Put out under such auspices, the book ought to make a wide appeal and should greatly aid in the furtherance of the movement with which its author has been so conspicuously identified.

For a non-technical but authoritative account of one very vital aspect of national thrift, the reader should turn to Professor Frederick Haynes Newell's *Water Resources: Present and Future Uses*

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(New Haven, Yale University Press, 1920; 310 pp.). This volume, based upon a series of lectures delivered at the Sheffield Scientific School, Yale University in 1913, was published in the hope of interesting the "plain citizen" in the problem of water conservation. To this end the author has not only assembled the facts about our water supply but he has interpreted them in such a way that the reader cannot fail to appreciate the obvious need for the development and full use of our water resources. The question of water directly or indirectly affects the health and prosperity of every citizen. For food, sanitation, manufacturing, power for lighting, heating and transportation, and for innumerable other purposes man is dependent upon an adequate water supply. Among the many problems specifically discussed may be mentioned, precipitation, evaporation, run-in and run-off, water-storage, reclamation, irrigation, river-regulation, riparian rights and vested interests. The text is supplemented by numerous illustrations.

In his admirable volume, *The United States Forest Policy* (New Haven, Yale University Press, 1920; 395 pp.) Professor John Ise has rendered a most noteworthy service to the cause of conservation by assembling and organizing a wealth of valuable information on the important topic of forestry. The historical survey of American forest policies falls logically into four chronological divisions: (1) from colonial days to 1878, the period of beginnings; (2) from the passage of Timber Acts (1878) to the Forest Reserve Act (1891), the period of wholesale timber-stealing; (3) from 1891 to 1897, when the need for protection and administration of the forests became so obvious; (4) since 1897, the period in which the idea of conservation gained momentum so rapidly. The work of the forest service is outlined and two chapters are devoted to the results of our forest policy or lack of policy in so far as it has affected the lumber industry and ownership of standing timber. The history of the United States forest policy is labeled by Professor Ise as "a story of reckless and wasteful destruction of magnificent forests, and of flagrant and notorious theft of valuable lands—a story that Americans will follow with little pride". The final chapter suggests as features of a rational policy for the future: (1) the careful classification of all public lands by the federal government and the permanent reservation of all lands unfit for agriculture; (2) retention of control of swamp and irrigation lands by federal government; (3) greater sanity, intelligence and foresight in the use of our resources than we have displayed in the past.

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The economic history of republican Rome has found a proper advocate in the person of a learned Latinist whose historical enthusiasm is founded on sound scholarship and scientific knowledge. In Tenney Frank's *An Economic History of Rome to the End of the Republic* (Baltimore, The Johns Hopkins Press, 1920; xi, 310 pp.), it soon becomes clear why an economic history of Rome has not heretofore appeared. The history of the republican period was in the main written by Romans whose interests were political or diplomatic; to arrive therefore at economic facts a wide knowledge of archæology, numismatics, and epigraphy is necessary. Not only could Professor Frank bring this knowledge to his already recognized attainments in Latin and classical history, but also as Annual Professor of the School of Classical Studies of the American Academy in Rome he had the opportunity to visit quarries, to test soils, to study present agricultural methods; in short, he could and did bring together equipment, inclination and opportunity. Chapters XI and XII on Industry at the End of the Republic contain a mass of enlightening and informative matter handled in an excellent manner, and Chapter VI, The Establishment of the Plantation, clarifies quite satisfactorily the phenomenon which many historians characterize so vaguely, as they are apt to do in the case of a well-recognized institution. Apart, however, from the value of Professor Frank's history as the first of its kind, with its concomitant alignment of hitherto unrelated or at least uncorrelated facts, the more distinct contribution made is that early Rome was larger and of more importance, that her trade with Etruria was greater, and that early Latium was more thickly populated and more intensively cultivated than has hitherto been believed.

A novel volume on the borderland of history is that which has just appeared under the title *Time Telling through the Ages,* by Harry C. Brearley (New York, Doubleday, Page and Company, for Robert H. Ingersoll and Brother, 1919; 294 pp.). It sketches the history of time-keeping from the prehistoric days to the present, showing the results of considerable research along a line that suggests romance as well as history and economics. The note of romance is heightened by the beautiful illustrations which make the book something of a work of art. The history is sketchy, but adequate for the general reader; and considered as an attempt to present an intelligent survey of the history of a great industry, it is a contribution which might well stimulate to similar enterprise other great manufacturers. The history of society is so largely a history

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of work, that a contribution such as this, describing the growth of one of the most essential social controls—that of time—has a scientific value which should be accorded grateful recognition.

Inasmuch as about half the American people live outside the cities, one gladly gives attention to *The Little Town* (New York, The Macmillan Company, 1919; ix, 258 pp.), an unpretentious volume compact of good sense, by H. P. Douglass, secretary of the American Missionary Association. The author considers the village of less than five thousand inhabitants not as self-centered like a tiny city but as related to its countryside, thus dealing with communities not accurately bounded by any legal lines drawn on a map. He skilfully and faithfully describes the actual state of things, discovers the possibilities of improvement and suggests a practicable program. The book is written with the authority of the field and of the study, for it has not only the charm that comes from personal narrative but the thoroughness resulting from wide and careful reading suggested by the notes and classified bibliography. The systematic arrangement with paragraph headings adds to its availability as a textbook on the subject.

We are all aware that these are troublous times. Merely to drive home this painful and obvious fact should hardly require an elaborate treatise such as W. Duncan McKim's *A Study for the Times* (New York, G. P. Putnam's Sons, 1920; x, 324 pp.). The main thesis of the book is that everything is all wrong. Science is mainly built of fallacies. Unquestionably religion is a whited sepulchre. Our feelings lead us to make terrible and tragic blunders, substituting for the erroneous dictates of intellect (which is itself built upon the false tradition of maladjusted society) the even less trustworthy impulses of emotion. But in the end blind chance, guiding all-conquering feeling, will probably carry us to a glorious triumph. "And now", concludes the author, "as we close this study of the pitfalls of man's environment and his innate frailties . . . we cannot do more wisely than to develop within ourselves that sublime and ancient faith which thinks with Abraham, 'Shall not the Judge [our emotions] of all the earth do right?', which feels with Job, 'Though He slay me, yet will I trust in Him'." The work offers little or nothing as a contribution to the scientific analysis of present-day problems, or as a formulation of constructive policies.

A vast amount of material has appeared in the past decade on the general subject of statistical method and procedure, much of it in the form of bulletins or brief papers in scientific journals. It is re-

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markable that no one heretofore has seen fit to gather together into a useful source book the more valuable of these scattered writings. In *Readings and Problems in Statistical Methods* (New York, The Macmillan Company, 1920; xi, 427 pp.) Professor Horace Secrist has set a very worthy example in this direction. Concerned mainly with business statistics, the volume contains material adapted from papers by the best writers on the subject. It is but natural that each reader will regret the omission of some favorite article. Some will feel that much useful material has been ignored. On the whole, however, the field is well covered and the arrangement is excellent. Review problems and questions have been added. These are of rather doubtful value. Many are intended merely to test whether or not the book has been read. Others refer to Professor Secrist's text-book, and require familiarity with it. The volume would be greatly improved if the exercises were either omitted altogether or so planned as to develop the reader's ability to utilize the material presented in the work itself. The present volume will for some time be an excellent aid to the student of business statistics. It is greatly to be hoped that others, interested primarily in social statistics, public health statistics and similar fields will follow Professor Secrist's lead.

Dr. Daniel Starch, of the University of Wisconsin, in his *Educational Psychology* (New York, The Macmillan Company, 1919; vii, 473 pp.) gives a careful, conservative estimate of the results of research in this field up to the present time. Educational psychology is one of the earliest of the branches of applied psychology. Its field seems to be a fruitful one. For instance, the learning process can only be studied successfully against the background of native equipment. Such a volume as Dr. Starch's, therefore, cannot be neglected by psychologists in general. There are three parts: the native equipment of human beings, the psychology of learning in general, and of learning in school subjects. The chapters on the controversial subject of transference of learning are particularly good. The discussion of the instincts is much less full than is usually found in books in this field. The author's method is to present in each chapter after a short introduction, the evidence, data, or experiments, often in charts, curves and tables, and usually only after this is done are conclusions and generalizations made. The material contains many of the author's own researches but the book is built mainly on a critical analysis of the work of various investigators whose labors of many years have made such a volume possible. The tone of the book is distinctly scientific in the best sense of the word.

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